

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 7, 1942

The House met at 12 o'clock noon.

Father Paul Redmond, O. P., director of the Holy Name Society, San Francisco, Calif., offered the following prayer:

Almighty God, under whom all hearts are opened, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit that we may perfectly love Thee, and worthily magnify Thy Holy Name, be pleased to direct the deliberations of these servants of our representative Government under the glory of our Saviour and Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1891. An act to amend an act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army so as to provide allowances for uniforms and equipment for certain officers of the Army of the United States; and

S. 2094. An act to provide for the rank and title of the Commandant of the Marine Corps.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 4077. An act to amend the District of Columbia License Act so as to permit sight-seeing operations in the District of Columbia, without procurement of a license or payment of a tax, in the case of certain vehicles performing such operations in connection with transportation of persons to the District of Columbia; and

H. R. 6163. An act to prohibit parking of vehicles upon public or private property in the District of Columbia without the consent of the owner of such property.

EXTENSION OF REMARKS

Mr. RANKIN of Mississippi. Mr. Speaker, I have two requests: First, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an outline of the 1941 and 1942 objectives of the Veterans of Foreign Wars of the United States which is compiled by Mr. O. B. Ketchum, national representative of that organization.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN of Mississippi. Mr. Speaker, I also ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from Hon. Birney Innes, editor of the Commercial Dispatch, of Columbus, Miss., and also an editorial from that publication.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WASIELEWSKI. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein an article from the Milwaukee Journal of January 5, 1942.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. LELAND M. FORD addressed the House. His remarks appear in the Appendix.]

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a copy of the resolution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. SMITH of Wisconsin addressed the House. His remarks appear in the Appendix.]

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD and to insert a copy of the letter I addressed to the President, and other matters.

The SPEAKER. The gentleman may extend his remarks in the Appendix of the RECORD but not in the body of the RECORD at this point.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the Appendix and include the matters to which I have referred.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter written to the Herald Tribune by Prof. Edward H. Warren, of Harvard University Law School, Cambridge, Mass.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent that today, after the conclusion of the other special orders, I may address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

[Mr. BRADLEY of Michigan addressed the House. His remarks appear in the Appendix.]

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to include in my remarks in the Appendix of the RECORD a statement of the remarkable record of ore transportation through the Soo Canal recently written by Mr. Jack Cleary, marine editor of the Cleveland News.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. HILL of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a release from the Bonneville Power Administration showing the benefits to people of the Northwest in the building of the Bonneville and Coulee Dams.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. HILL]?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—BUDGET MESSAGE (H. DOC. NO. 528)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I am submitting herewith the Budget of the United States for the fiscal year ending June 30, 1943. It is the budget of a nation at war in a world at war.

In practical terms the Budget meets the challenge of the Axis Powers. We must provide the funds to man and equip our fighting forces. We must provide the funds for the organization of our resources. We must provide the funds to continue our role as the Arsenal of Democracy.

Powerful enemies must be outfought and outproduced. Victory depends on the courage, skill, and devotion of the men in the American, British, Russian, Chinese, and Dutch forces, and of the others who join hands with us in the fight for freedom. But victory also depends upon efforts behind the lines—in the mines, in the shops, on the farms.

We cannot outfight our enemies unless, at the same time, we outproduce our enemies. It is not enough to turn out just a few more planes, a few more tanks, a few more guns, a few more ships, than can be turned out by our enemies. We must outproduce them overwhelmingly, so that there can be no question of our ability to provide a crushing superiority of equipment in any theater of the world war.

And we shall succeed. A system of free enterprise is more effective than an "order" of concentration camps. The struggle for liberty first made us a Nation. The vitality, strength, and adaptability of a social order built on freedom

and individual responsibility will again triumph.

THE WAR PROGRAM

Our present war program was preceded by a defense effort which began as we emerged from the long depression. During the past 18 months we laid the foundation for a huge armament program. At the same time industry provided ample consumers' goods for a rapidly growing number of workers. Hundreds of thousands of new homes were constructed; the production of consumers' durable goods broke all records. The industrial plant and equipment of the country were overhauled and expanded.

Adjustment to a war program can now be made with greater speed and less hardship. The country is better stocked with durable goods. Our factories are better equipped to carry the new production load. The larger national income facilitates financing the war effort.

There are still unused resources for agricultural and industrial production. These must be drawn into the national effort. Shortages, however, have developed in skilled labor, raw materials, machines, and shipping. Under the expanding war program, more and more productive capacity must be shifted from peacetime to wartime work.

Last year fiscal policy was used to shift the economy into high gear. Today it is an instrument for transforming our peace economy into a war economy. This transformation must be completed with minimum friction and maximum speed. The fiscal measures which I outline in this message are essential elements in the Nation's war program.

WAR APPROPRIATIONS

This is a war budget. The details of a war program are, of course, in constant flux. Its magnitude and composition depend on events at the battlefronts of the world, on naval engagements at sea, and on new developments in mechanized warfare. Moreover, war plans are military secrets.

Under these circumstances I cannot hereafter present details of future war appropriations. However, total appropriations and expenditures will be published so that the public may know the fiscal situation and the progress of the Nation's effort.

The defense program, including appropriations, contract authorizations, recommendations, and commitments of Government corporations, was 29 billion dollars on January 3, 1941. During the last 12 months 46 billion dollars have been added to the program. Of this total of 75 billion dollars there remains 24 billion dollars for future obligation.

In this Budget I make an initial request for a war appropriation of 13.6 billion dollars for the fiscal year 1943. Large supplemental requests will be made as we move toward the maximum use of productive capacity. Nothing short of a maximum will suffice. I cannot predict ultimate costs because I cannot predict the changing fortunes of war. I can only say that we are determined to pay whatever price we must to preserve our way of life.

WAR EXPENDITURES

Total war expenditures are now running at a rate of 2 billion dollars a month and may surpass 5 billion dollars a month during the fiscal year 1943. As against probable budgetary war expenditures of 24 billion dollars for the current fiscal year, our present objective calls for war expenditures of nearly 53 billion dollars for the fiscal year 1943. And in addition, net outlays of Government corporations for war purposes are estimated at about 2 and 3 billion dollars for the current and the next fiscal year, respectively.

These huge expenditures for ships, planes, and other war equipment will require prompt conversion of a large portion of our industrial establishment to war production. These estimates reflect our determination to devote at least one-half of our national production to the war effort.

The agencies responsible for the administration of this vast program must make certain that every dollar is speedily converted into a maximum of war effort. We are determined to hold waste to a minimum.

THE CIVIL FUNCTIONS OF GOVERNMENT

In a true sense, there are no longer nondefense expenditures. It is a part of our war effort to maintain civilian services which are essential to the basic needs of human life. In the same way it is necessary in wartime to conserve our natural resources and keep in repair our national plant. We cannot afford waste or destruction, for we must continue to think of the good of future generations of Americans. For example, we must maintain fire protection in our forests; and we must maintain control over destructive floods. In the preparation of the present Budget, expenditures not directly related to the war have been reduced to a minimum or reoriented to the war program.

We all know that the war will bring hardships and require adjustment. Assisting those who suffer in the process of transformation and taxing those who benefit from the war are integral parts of our national program.

It is estimated that expenditures for the major Federal assistance programs—farm aid, work relief, youth aid—can be reduced by 600 million dollars from the previous to the current fiscal year, and again by 860 million dollars from the current to the next fiscal year. These programs will require 1.4 billion dollars during the fiscal year 1943, about one-half of the expenditures for these purposes during the fiscal year 1941.

Improved economic conditions during the current year have made possible the execution of economic and social programs with smaller funds than were originally estimated. By using methods of administrative budget control, 415 million dollars of appropriations for civil purposes have been placed in reserves.

Excluding debt charges and grants under the Social Security law, total expenditures for other than direct war purposes have been reduced by slightly more than 1 billion dollars in the next fiscal year.

Agricultural aid.—I propose to include contract authorizations in the Budget to

assure the farmer a parity return on his 1942 crop, largely payable in the fiscal year 1944. I do not suggest a definite appropriation at this time because developments of farm income and farm prices are too uncertain. Agricultural incomes and prices have increased and we hope to limit the price rise of the products actually bought by the farmer. But if price developments should turn against the farmer, an appropriation will be needed to carry out the parity objective of the Agricultural Adjustment Act.

The remaining expenditures for the agricultural program are being brought into accord with the war effort. Food is an essential war material. I propose to continue the soil conservation and use program on a moderately reduced scale. Acreage control by cooperative efforts of farmer and Government was inaugurated in a period of overproduction in almost all lines of farming. Then its major objective was the curtailment of production to halt a catastrophic decline in farm prices. At present, although there is still excess production in some types of farming, serious shortages prevail in other types. The present program is designed to facilitate a balanced increase in production and to aid in controlling prices.

Work projects.—The average number of W. P. A. workers was two million in the fiscal year 1940, the year before the defense program started; the average has been cut to one million this year. With increasing employment a further considerable reduction will be possible. I believe it will be necessary to make some provision for work relief during the next year. I estimate tentatively that 465 million dollars will be needed for W. P. A., but I shall submit a specific request later in the year. Workers of certain types and in certain regions of the country probably will not all be absorbed by war industries. It is better to provide useful work for the unemployed on public projects than to lose their productive power through idleness. Wherever feasible they will be employed on war projects.

Material shortages are creating the problem of "priority unemployment." I hope the workers affected will be reemployed by expanding war industries before their unemployment compensation ceases. Some of the workers affected will not, however, be eligible for such compensation and may be in need of assistance.

Rather than rely on relief a determined effort should be made to speed up reemployment in defense plants. I have, therefore, instructed the Office of Production Management to join the procurement agencies in an effort to place contracts with those industries forced to cut their peacetime production. The ingenuity of American management has already adapted some industries to war production. Standardization and substitution are doing their part in maintaining production. Ever-increasing use of subcontracts, pooling of industrial resources, and wider distribution of contracts are of paramount importance for making the fullest use of our resources.

The newly nationalized Employment Service will greatly help unemployed workers in obtaining employment.

Aids to youth.—Under war conditions there is need and opportunity for youth to serve in many ways. It is therefore possible to make a considerable reduction in the programs of the Civilian Conservation Corps and the National Youth Administration. The youth, too, will be aided by the United States Employment Service in finding employment opportunities.

Although I am estimating 100 million dollars for these two agencies, excluding 50 million dollars for defense training, it is probable that the total amount will not be needed. I am postponing until next spring presentation to the Congress of specific recommendations as to youth aid.

Public works program.—The public works program is being fully adjusted to the war effort. The general program of 578 million dollars includes those projects necessary for increasing production of hydroelectric power, for flood control, and for river and harbor work related to military needs. Federal aid for highways will be expended only for construction essential for strategic purposes. Other highway projects will be deferred until the post-war period. For all other Federal construction I am restricting expenditures to those active projects which cannot be discontinued without endangering the structural work now in progress.

Civil departments and agencies.—The work of the civil departments and agencies is undergoing thorough reorientation. Established agencies will be used to the greatest possible extent for defense services. Many agencies have already made such readjustment. All civil activities of the Government are being focused on the war program.

Federal grants and debt service.—A few categories of civil expenditures show an increase. Under existing legislation Federal grants to match the appropriations for public assistance made by the individual States will increase by 73 million dollars. I favor an amendment to the Social Security Act which would modify matching grants to accord with the needs of the various States. Such legislation would probably not affect expenditures substantially during the next fiscal year.

Because of heavy Federal borrowing, interest charges are expected to increase by 139 million dollars in the current fiscal year, and by another 500 million dollars in the fiscal year 1943. Debt service is, of course, affected by war spending.

COORDINATION OF FISCAL POLICIES

The fiscal policy of the Federal Government, especially with respect to public works, is being reinforced by that of State and local governments. Executive committees of the Council of State Governments and the Governors' Conference have issued excellent suggestions for harmonizing various aspects of State and local fiscal policy with national objectives. These governments are readjusting many of their services so as to expedite the war program. Many are making flexible plans for the post-war readjustment and some are accumulating financial reserves for that purpose.

The larger the scale of our war effort, the more important it becomes to provide a reservoir of post-war work by business and by Federal, State, and local governments.

FINANCING THE WAR

Determination, skill, and matériel are three great necessities for victory. Methods of financing may impair or strengthen these essentials. Sound fiscal policies are those which will help win the war. A fair distribution of the war burden is necessary for national unity. A balanced financial program will stimulate the productivity of the Nation and assure maximum output of war equipment.

With total war expenditures, including net outlays of Government corporations, estimated at 26 billion dollars for the current fiscal year and almost 56 billion dollars for the fiscal year 1943, war finance is a task of tremendous magnitude requiring a concerted program of action.

RECEIPTS UNDER PRESENT LEGISLATION

Total receipts from existing tax legislation will triple under the defense and war programs. They are expected to increase from 6 billion dollars in the fiscal year 1940 to 18 billion dollars in the fiscal year 1943. This increase is due partly to the expansion of economic activities and partly to tax legislation enacted during the last 2 years. As we approach full use of our resources, further increases in revenue next year must come predominantly from new tax measures rather than from a greater tempo of economic activity. Taxes on incomes, estates, and corporate profits are showing

the greatest increase. Yields from employment taxes are increasing half as fast; and the yields from excise taxes are increasing more slowly; customs are falling off. On the whole, our tax system has become more progressive since the defense effort started.

Development of major sources of Federal receipts compared with fiscal year 1940

(Indexes, 1940=100)

Source	1940 (actual)	1941 (actual)	1942 (estimated)	1943 (estimated)
Corporate taxes.....	100	173	328	519
Individual income and estate taxes.....	100	136	275	405
All employment taxes.....	100	111	143	209
Excise taxes.....	100	128	167	184
Miscellaneous re- ceipts.....	100	170	90	106
Customs duties.....	100	112	106	85
Gross receipts.....	100	134	216	300

¹ Excludes return of surplus funds by Government corporations.

DEFICITS UNDER PRESENT LAWS

The estimate of deficits must be tentative and subject to later revision. The probable net outlay of the Budget and Government corporations, excluding revenues from any new taxes, will be 20.9 billion dollars for the current fiscal year, and 45.4 billion dollars for the fiscal year 1943. Borrowing from trust funds will reduce the amounts which must be raised by taxation and borrowing from the public by about \$2,000,000,000 in the fiscal year 1942 and 2.8 billion dollars in the fiscal year 1943.

Financing of Federal operations, fiscal years 1940-43

(In millions)

Classification	1943 (esti- mated)	1942 (esti- mated)	1941 (actual)	1940 (actual)
A. Summary of Federal operations:				
I. Budget deficit under present tax legislation (see p. xxi)	42,440.8	18,631.8	\$5,103.4	\$3,611.1
II. Government corporations (net outlays).....	2,941.0	2,220.0	¹ 1,148.8	200.1
Net outlays of Budget and Government corpora- tion (I+II).....	45,381.8	20,851.8	6,252.2	3,811.2
III. Trust funds:				
Deduct excess of receipts over disbursements under present legislation ²	2,763.9	2,018.3	1,385.3	1,159.3
Combined net cash requirements (I+II-III) ³	42,617.9	18,833.5	4,866.9	2,651.9
B. Financing combined net cash requirements:				
By borrowing from the public (net):				
Government issues.....	34,913.1	19,528.1	4,602.3	1,386.4
Government corporation issues.....	1,297.8	⁴ 710.1	972.8	318.7
Subtotal.....	33,615.3	18,818.0	5,575.1	1,699.1
Under proposed legislation:				
Taxes.....	7,000.0			
Increase in social security trust funds ⁵	2,000.0			
Total.....	42,615.3	18,818.0	5,575.1	1,699.1
Adjustment for changes in cash balances during year.....	2.6	15.5	⁴ 708.2	952.8
Total, financing.....	42,617.9	18,833.5	4,866.9	2,651.9

¹ Includes return of surplus funds to the Budget.

² Almost all of this excess is invested in Government bonds.

³ Includes interest accrued on United States savings bonds.

⁴ Deduct.

⁵ This increase to be invested in Government bonds.

In estimating expenditures and receipts, only a moderate rise in prices has been assumed. Since expenditures are affected by rising prices more rapidly than are revenues, a greater price increase would further increase the deficit.

THE NEED FOR ADDITIONAL TAXES

In view of the tremendous deficits, I reemphasize my request of last year that war expenditures be financed as far as

possible by taxation. When so many Americans are contributing all their energies and even their lives to the Nation's great task, I am confident that all Americans will be proud to contribute their utmost in taxes. Until this job is done, until this war is won, we will not talk of burdens.

I believe that 7 billion dollars in additional taxes should be collected during

the fiscal year 1943. Under new legislation proposed later in this Message, social security trust funds will increase by 2 billion dollars. Thus new means of financing would provide a total of 9 billion dollars in the fiscal year 1943.

Specific proposals to accomplish this end will be transmitted in the near future. In this Message I shall limit my recommendations on war finance to the broad outline of a program.

Tax programs too often follow the line of least resistance. The present task definitely requires enactment of a well-balanced program which takes account of revenue requirements, equity, and economic necessities.

There are those who suggest that the policy of progressive taxation should be abandoned for the duration of the war because these taxes do not curtail consumers' demand. The emergency does require measures of a restrictive nature which impose sacrifices on all of us. But such sacrifices are themselves the most compelling argument for making progressive taxes more effective. The anti-inflationary aspect of taxation should supplement, not supplant, its revenue and equity aspects.

PROGRESSIVE TAXES

Progressive taxes are the backbone of the Federal tax system. In recent years much progress has been made in perfecting income, estate, gift, and profit taxation but numerous loopholes still exist. Because some taxpayers use them to avoid taxes, other taxpayers must pay more. The higher the tax rates the more urgent it becomes to close the loopholes. Exemptions in estate and gift taxation should be lowered. The privileged treatment given certain types of business in corporate income taxation should be reexamined.

It seems right and just that no further tax-exempt bonds should be issued. We no longer issue United States tax-exempt bonds and it is my personal belief that the income from State, municipal, and authority bonds is taxable under the income-tax amendment to the Constitution. As a matter of equity I recommend legislation to tax all future issues of this character.

Excessive profits undermine unity and should be recaptured. The fact that a corporation had large profits before the defense program started is no reason to exempt them now. Unreasonable profits are not necessary to obtain maximum production and economical management. Under war conditions the country cannot tolerate undue profits.

Our tax laws contain various technical inequities and discriminations. With taxes at wartime levels, it is more urgent than ever to eliminate these defects in our tax system.

ANTI-INFLATIONARY TAXES

I stated last year in the Budget Message that extraordinary tax measures may be needed to "aid in avoiding inflationary price rises which may occur when full capacity is approached." The time for such measures has come. A well-balanced tax program must include measures which combat inflation. Such measures should absorb some of the additional purchasing power of consumers

and some of the additional funds which accrue to business from increased consumer spending.

A number of tax measures have been suggested for that purpose, such as income taxes collected at the source, payroll taxes, and excise taxes. I urge the Congress to give all these proposals careful consideration. Any tax is better than an uncontrolled price rise.

Taxes of an anti-inflationary character at excessive rates spell hardship in individual cases and may have undesirable economic repercussions. These can be mitigated by timely adoption of a variety of measures, each involving a moderate rate of taxation.

Any such tax should be considered an emergency measure. It may help combat inflation; its repeal in a post-war period may help restore an increased flow of consumers' purchasing power.

Excise taxes.—All through the years of the depression I opposed general excise and sales taxes and I am as convinced as ever that they have no permanent place in the Federal tax system. In the face of the present financial and economic situation, however, we may later be compelled to reconsider the temporary necessity of such measures.

Selective excise taxes are frequently useful for curtailing the demand for consumers' goods, especially luxuries and semiluxuries. They should be utilized when manufacture of the products competes with the war effort.

Pay-roll taxes and the social-security program.—I oppose the use of pay-roll taxes as a measure of war finance unless the worker is given his full money's worth in increased social security. From the inception of the social-security program in 1935 it has been planned to increase the number of persons covered and to provide protection against hazards not initially included. By expanding the program now, we advance the organic development of our social-security system and at the same time contribute to the anti-inflationary program.

I recommend an increase in the coverage of old-age and survivors' insurance, addition of permanent and temporary disability payments and hospitalization payments beyond the present benefit programs, and liberalization and expansion of unemployment compensation in a uniform national system. I suggest that collection of additional contributions be started as soon as possible, to be followed 1 year later by the operation of the new benefit plans.

Additional employer and employee contributions will cover increased disbursements over a long period of time. Increased contributions would result in reserves of several billion dollars for post-war contingencies. The present accumulation of these contributions would absorb excess purchasing power. Investment of the additional reserves in bonds of the United States Government would assist in financing the war.

The existing administrative machinery for collecting pay-roll taxes can function immediately. For this reason congressional consideration might be given to immediate enactment of this proposal, while other necessary measures are being perfected.

I estimate that the social-security trust funds would be increased through the proposed legislation by 2 billion dollars during the fiscal year 1943.

FLEXIBILITY IN THE TAX SYSTEM

Our fiscal situation makes imperative the greatest possible flexibility in our tax system. The Congress should consider the desirability of tax legislation which makes possible quick adjustment in the timing of tax rates and collections during an emergency period.

BORROWING AND THE MENACE OF INFLATION

The war program requires not only substantially increased taxes but also greatly increased borrowing. After adjusting for additional tax collections and additional accumulation in social security trust funds, borrowing from the public in the current and the next fiscal year would be nearly 19 billion dollars and 34 billion dollars, respectively. The adjustments are indicated in the preceding table.

Much smaller deficits during the fiscal year 1941 were associated with a considerable increase in prices. Part of this increase was a recovery from depression lows. A moderate price rise, accompanied by an adjustment of wage rates, probably facilitated the increase in production and the defense effort. Another part of the price rise, however, was undesirable and must be attributed to the delays in enacting adequate measures of price control.

With expenditures and deficits multiplied, the threat of inflation will apparently be much greater. There is, however, a significant difference between conditions as they were in the fiscal year 1941 and those prevailing under a full war program. Last year defense expenditures so stimulated private capital outlays that intensified use of private funds and private credit added to the inflationary pressure created by public spending.

Under a full war program, however, most of the increase in expenditures will replace private capital outlays rather than add to them. Allocations and priorities, necessitated by shortages of material, are now in operation; they curtail private outlays for consumers' durable goods, private and public construction, expansion and even replacements in nondefense plant and equipment. These drastic curtailments of nondefense expenditures add, therefore, to the private funds available for noninflationary financing of the Government deficit.

This factor will contribute substantially to financing the tremendous war effort without disruptive price rises and without necessitating a departure from our low-interest-rate policy. The remaining inflationary pressure will be large but manageable. It will be within our power to control it if we adopt a comprehensive program of additional anti-inflationary measures.

A COMPREHENSIVE ANTI-INFLATIONARY PROGRAM

A great variety of measures is necessary in order to shift labor, materials, and facilities from the production of civilian articles to the production of weapons and other war supplies. Taxes can aid in speeding these shifts by cutting nonessential civilian spending. Our

resources are such that even with the projected huge war expenditures we can maintain a standard of living more than adequate to support the health and productivity of our people. But we must forego many conveniences and luxuries.

The system of allocations—rationing on the business level—should be extended and made fully effective, especially with relation to inventory control.

I do not at present propose general consumer ration cards. There are not as yet scarcities in the necessities of life which make such a step imperative. Consumers' rationing has been introduced, however, in specific commodities for which scarcities have developed. We shall profit by this experience if a more general system of rationing ever becomes necessary.

I appeal for the voluntary cooperation of the consumer in our national effort. Restraint in consumption, especially of scarce products, may make necessary fewer compulsory measures. Hoarding should be encouraged in only one field, that of defense savings bonds. Economies in consumption and the purchase of defense savings bonds will facilitate financing war costs and the shift from a peace to a war economy.

An integrated program, including direct price controls, a flexible tax policy, allocations, rationing, and credit controls, together with producers' and consumers' cooperation will enable us to finance the war effort without danger of inflation. This is a difficult task. But it must be done and it can be done.

THE INCREASE IN THE FEDERAL DEBT

On the basis of tentative Budget estimates, including new taxes, the Federal debt will increase from 43 billion dollars in June 1940, when the defense program began, to 110 billion dollars 3 years later. This increase in Federal indebtedness covers also the future capital demands of Government corporations. About 2 billion dollars of this increase will result from the redemption of notes of Government corporations guaranteed by the Federal Government.

These debt levels require an increase in the annual interest from 1 billion dollars in 1940 to above 2.5 billion dollars at the end of fiscal year 1943. Such an increase in interest requirements will prevent us for some time after the war from lowering taxes to the extent otherwise possible. The import of this fact will depend greatly on economic conditions in the post-war period.

Paying 2.5 billion dollars out of an extremely low national income would impose an excessive burden on taxpayers while the same payment out of a 100-billion-dollar national income, after reduction of armament expenditures, may still permit substantial tax reductions in the post-war period.

If we contract a heavy debt at relatively high prices and must pay service charges in a period of deflated prices, we shall be forced to impose excessive taxes. Our capacity to carry a large debt in a post-war period without undue hardship depends mainly on our ability to maintain a high level of employment and income.

I am confident that by prompt action we shall control the price development now and that we shall prevent the recurrence of a deep depression in the post-war period. There need be no fiscal barriers to our war effort and to victory.

FRANKLIN D. ROOSEVELT.

JANUARY 5, 1942.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes following any previous special orders for the day.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. KNUTSON]?

There was no objection.

EDUCATIONAL REQUIREMENTS FOR MILITARY PILOTS

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from New York [Mr. EDWIN ARTHUR HALL]?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, toward the end of the first session of this Congress I introduced a resolution calling for an investigation into the feasibility of lowering the educational requirements for military aircraft pilots. About a month ago there appeared in the national press a rather voluminous account of what steps had been taken to lower these educational requirements and the statement was made that from then on there would be no more requirement calling for 2 years in college.

I received a telephone call this morning from a young man who had been most anxious to enter the Army Air Corps as a pilot. He has been held up by his own recruiting office because he has not yet the 2 years in college, because he has only one and a half years of college or the equivalent thereof of the 2 years. If, as the President said, at the end of next year we are to have an airplane production totaling 185,000 planes, we will have to draw from other reservoirs than from men who have college training for our airplane pilots. I recommend, Mr. Speaker, and I urge at this time an immediate revision of those regulations of the War Department so that young men from all parts of the country, no matter what walk of life they may come from, will have this opportunity. You cannot beat Hitler or the Jap invader with a Phi Beta Kappa key alone. You will have to man these 185,000 airplanes with pilots from every walk of life, no matter what they may have in the way of education.

[Here the gavel fell.]

CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday business be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I inquire of the gentleman from

Massachusetts, the majority leader, what the program is for tomorrow and the rest of the week?

Mr. McCORMACK. I am unable to state now about Friday, but on tomorrow there will be a civilian defense bill reported by the Military Affairs Committee, assuming the unanimous-consent request that is about to be made will be agreed to, and I hope it will be.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

REPORT ON BILL TO PROMOTE NATIONAL SECURITY AND DEFENSE BY ESTABLISHING DAYLIGHT-SAVING TIME

Mr. LEA. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the bill H. R. 6314, to promote the national security and defense by establishing daylight-saving time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. LEA]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is a minority report to be filed?

Mr. LEA. Not that I know of.

Mr. MARTIN of Massachusetts. I would suggest to the gentleman that he get that permission in the event one is to be filed just as a precautionary measure.

Mr. LEA. Yes. I will add that request; in case there is a minority report the same time may be allowed for it to be filed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. LEA]?

There was no objection.

CIVILIAN DEFENSE

Mr. MAY. Mr. Speaker, I ask unanimous consent that it may be in order tomorrow to consider the bill (H. R. 5727) relating to civilian defense, that there may be 2 hours' general debate on the bill to be equally divided between the chairman of the Committee on Military Affairs and the ranking minority member thereof, the gentleman from New York [Mr. ANDREWS].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

Mr. HOFFMAN. Mr. Speaker, I object.

UNANIMOUS CONSENT TO INSERT LETTER FROM COMMISSIONER ELIZALDE

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and include therein a letter from Commissioner ELIZALDE, of the Philippines, transmitting a cable from President Quezon, of the Philippine Republic, in appreciation of the appropriation by the Congress of the United States of certain revenues for the use of the Philippine government.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, the letter is as follows:

The Hon. CLARENCE CANNON,
House of Representatives.

My DEAR CONGRESSMAN CANNON: I have just received the following telegram from President Quezon for transmittal to you:

"Congressman CLARENCE CANNON,
"House of Representatives:

"My deepest appreciation and that of the Filipino people for your support of resolution appropriating sugar taxes and additional \$10,000,000 for Philippine civilian protection and relief. I am greatly heartened by prompt action and express full confidence in success our war effort.

"QUEZON."

I am very happy to transmit this expression of thanks to you from the head of our country and with kindest personal regards, I am,

Sincerely yours,

J. M. ELIZALDE,
Resident Commissioner of the
Philippines to the United States.

Mr. Speaker, the additional \$10,000,000 was added without suggestion from the Budget as an expression by the Congress of its deep appreciation of the invaluable cooperation and support of the Filipino people and the Philippine government.

EXTENSION OF REMARKS

Mr. SANDERS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short letter and a brief resolution from defense workers in my district.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two topics, in one to include an editorial from the Washington Post, and in the other to include a column by Walter Lippmann.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

THE SPIRIT OF KINGS MOUNTAIN STILL LIVES

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

[Mr. FLANNAGAN addressed the House. His remarks appear in the Appendix.]

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a press release of the Navy Department.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes at the conclusion of the other special orders for today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

UNEMPLOYMENT CRISIS IN MICHIGAN

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, an unemployment crisis of enormous proportions has struck Michigan. Closing down the automobile industry has cost 200,000 jobs in Michigan alone. Still more workers will lose their work before this is over. Throughout the country some 450,000 auto sales and service people are threatened, or have already lost their jobs. The tire industry, the glass industry, and others dependent on the automobile industry have dropped many tens of thousands of workers.

What is happening in Michigan has its influence in every town and city in this country. It is a national problem, growing out of national policy. The Federal Government has to step in and help these people who are losing their jobs, their source of income, their homes.

Many displaced workers get unemployment compensation for 2 or 3 months. But right now 3,000 workers each week in Michigan exhaust their benefit rights, and this number will increase 8 or 10 times in the next few months. Right now there are more than 40,000 unemployed workers who are not eligible for these benefits in Michigan. One-fourth of the workers in Pontiac, Mount Clemens, and other towns in Michigan lost their jobs last month. In Flint, 41 percent of the people lost their work last month.

Armament work cannot take this up overnight. We can count ourselves lucky if half of these unemployed are absorbed by armament production 6 months from now. A year from now some of them will still be looking for the jobs the O. P. M. has been talking about for months.

While these experts talk about plant conversion, hundreds of thousands of people are out on the streets. Something has to be done for them and done quickly. They should not be made to suffer want under a program dedicated, among other things, to the attainment of freedom from want.

These displaced workers should be given jobs on the W. P. A. program; jobs that are diversified and useful. One hundred and fifty thousand W. P. A. jobs should be opened up in Michigan alone. Unless we act quickly these people will be impoverished, and small business men who need their trade will go to the wall. Congress must face this situation and provide public work to these people until the time comes when private employment is open to them all.

COMMITTEE ON RULES

Mr. COX. Mr. Speaker, on behalf of the Committee on Rules, I ask unanimous consent that that committee have until midnight tonight to file reports on the daylight-saving bill and the bill H. R. 5727.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. MEYER of Maryland. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein copies of several letters and of resolutions adopted by the International Hod Carriers' Building and Trades Union.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PARKING OF VEHICLES IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6163) to prohibit parking of vehicles upon public or private property in the District of Columbia without the consent of the owner of such property, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 19, strike out "exclusive."

Page 3, lines 4 and 5, strike out "the violation of which" and insert "to remove and impound any vehicle, parked, stored, or left in violation of this act, and to keep the same impounded until the owner thereof, or other duly authorized person, shall deposit collateral for his appearance in court to answer for such violation, the amount of collateral to be fixed by the officer charged with the custody and control of property of the United States in the District of Columbia in an amount not to exceed \$25. Violations of regulations for the parking of cars upon the property of the United States in the District of Columbia."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the amendments?

Mr. RANDOLPH. The Senate amendments merely clarify the provisions of the bill as it pertains to the Federal Government. They give the Federal Government the same authority to remove and impound vehicles parked on Federal property and assess fines as is given the District Commissioners for violations on private property within the District of Columbia.

Mr. MARTIN of Massachusetts. It sets forth a definite amount?

Mr. RANDOLPH. A definite amount, \$25.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SIGHTSEEING OPERATIONS IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4077) to amend the District of Columbia License Act so as to permit sightseeing operations in the District of Columbia, without procurement of a license or payment of a

tax, in the case of certain vehicles performing such operations in connection with transportation of persons to the District of Columbia, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out "a new subparagraph" and insert "new subparagraphs."

Page 2, line 2, strike out all after "purposes" down to and including "thereof", in line 6, and insert "if the only passengers transported in such sightseeing operations are school children, their teachers, or escorts, and transported to the District of Columbia from the State in which their school is located in such vehicle and if a certificate for each such vehicle is obtained from the Public Utilities Commission of the District of Columbia. Application for such certificate shall be made to the Public Utilities Commission of the District of Columbia stating the name of the school, the date or dates on which such operations would be conducted, and sufficient information for identification of the vehicle to be so engaged. The said Commission shall furnish to such school a certificate for each such vehicle upon which there shall be entered the name of the school, the date or dates on which such vehicle may be operated, and identification of the vehicle for which the said certificate is granted. Such certificate shall be conspicuously displayed in or on said vehicle when operated in the District of Columbia."

"(h) Nothing in this paragraph shall be construed to require the procuring of a license, or the payment of a tax, with respect to a vehicle operated for sightseeing purposes if such sightseeing operations are only occasional and the only passengers transported in such sightseeing operations are persons transported to the District of Columbia from a point or points outside of said District in such vehicle, and if a certificate for such operation is obtained from the Public Utilities Commission of the District of Columbia. Application for such certificate shall be made to the Public Utilities Commission of the District of Columbia, stating the date or dates on which occasional sightseeing operations would be conducted and the number of vehicles to be operated. The said Commission shall furnish such applicant a certificate for each such vehicle upon which shall be entered the date or dates such operations may be conducted without a license from the District of Columbia: *Provided*, That such certificates shall not be issued for such occasional sightseeing operations under the same ownership, management, control, or arrangement for a greater number of days than authorized in this subparagraph. The certificate herein authorized shall be conspicuously displayed in each such vehicle when operated in the District of Columbia. The operation in the District of Columbia by the same ownership, management, control, or arrangement of any such vehicle or vehicles in sightseeing operations shall not be construed to be occasional if such ownership, management, control, or arrangement shall operate any such vehicle or vehicles for sightseeing purposes in the District of Columbia for more than 15 calendar days in any license year. Motor vehicles transporting school children for sightseeing purposes as exempted under the preceding subparagraph (g) shall not be included in such computation of operations. Sightseeing operations shall not be construed to include transportation to or from the hotel or terminal en route into or out of said District."

Amend the title so as to read: "An act to amend the District of Columbia License Act so as to permit the transportation of school children and occasional sightseeing opera-

tions in the District of Columbia without procurement of a license or payment of a tax in the case of certain vehicles performing such operations in connection with transportation to the District of Columbia."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the Senate amendments?

Mr. RANDOLPH. The purpose of the Senate amendments is merely to clarify certain features of the House bill. One amendment defines the word "occasional" as it applies to sightseeing operations in the District of Columbia. It provides that any vehicle coming from outside the District may come here under the auspices of a single company for 15 days within a calendar year tax free. The bill is also amended to exempt all vehicles coming from anywhere which bring in school children for visiting or sightseeing purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Miss RANKIN of Montana. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include a telegram signed by a number of Butte, Mont., automobile dealers, relating to regulations governing the sale and distribution of automobiles; also an editorial from the Times-Herald on the question of rubber prices.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

TRANSFER OF ENLISTED MEN OF THE MARINE CORPS RESERVE TO THE REGULAR NAVY AND MARINE CORPS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5464) to authorize transfer of enlisted men of the Naval and Marine Corps Reserve to the Regular Navy and Marine Corps, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, after "*Provided*," insert "That such transfers of men who enlisted in the Marine Corps Reserve for the duration of the emergency shall be made only upon their obligating themselves to serve for a total period of 4 years from the date of such enlistment in the Marine Corps Reserve: *Provided further*,"

Page 2, line 13, strike out "continuous."

Page 2, line 13, after "duty", insert ", exclusive of training duty."

Page 2, line 14, after "shall", insert "also."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object,

will the gentleman kindly explain the amendment?

Mr. VINSON of Georgia. Mr. Speaker, the effect of the amendment placed on the House bill by the Senate is simply this: When a reservist in the Marine Corps transfers from the Reserve to the Regulars, he must agree to serve at least 4 years. That is all the amendment means.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AUTHORIZATION OF ADDITIONAL SHIP-BUILDING AND SHIP-REPAIR FACILITIES FOR THE UNITED STATES NAVY

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 6304) authorizing appropriations for the United States Navy, additional ship-building and ship-repair facilities, and for other purposes, and I ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole House on the state of the Union with 30 minutes of general debate, one-half to be controlled by myself and one-half to be controlled by the gentleman from Oregon [Mr. MORT].

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, \$500,000,000 for essential equipment and facilities at either private or naval establishments for building or equipping any complete naval vessel or portion thereof heretofore or hereafter authorized; \$275,000,000 for essential equipment and facilities at either private or public plants for repairing, altering, or converting any vessel operated by the Navy or being prepared for naval use, of which \$50,000,000 shall be available for essential equipment, tools, and facilities at such plants for the repair, alteration, and upkeep of ordnance material; and \$70,000,000 for tools, equipment, and facilities for the manufacture or production of ordnance material, munitions, and armor at either private or public plants.

SEC. 2. The authority herein granted shall include the authority to acquire lands at such locations as the Secretary of the Navy may deem best suited to the purpose, erect or extend buildings, acquire the necessary machinery and equipment, and in private establishments provide plant-protection installations, and shall be in addition to all authority heretofore granted for these purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I am not going to object at this time, but I do hope the gentleman from Georgia in the future will take into consideration the fact that we would like full time to consider all of these important bills. This is a measure that authorizes appropriations of more than \$800,000,000.

Mr. VINSON of Georgia. May I say to the gentleman from Massachusetts that that is the reason I have made the re-

quest in the way I have, that it be considered in the House as in Committee of the Whole House on the state of the Union, with 30 minutes of general debate. If 30 minutes is not sufficient time in the opinion of the gentleman, I am perfectly willing to ask for an hour. The only thing I am gaining by making this request is going before the Rules Committee, because I am asking that it be considered with the same dignity and in the same manner as would be required under a rule.

Mr. MARTIN of Massachusetts. I appreciate that, and I am not objecting to the one-half hour, because I am sure if there is occasion for more time the gentleman will be liberal under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. VINSON] is entitled to recognition for 15 minutes and the gentleman from Oregon [Mr. MOTT] for 15 minutes.

Mr. VINSON of Georgia. Mr. Speaker, before discussing this bill I deem it important to give the background of the shipbuilding program, for this bill relates to the building program that is now being carried on, and I respectfully request your careful attention as I give you the information because it is important and shows what your Government is doing with reference to the program.

Starting January 1, 1940, it appears that the Navy has placed orders for 379 combatant ships, 79 auxiliary ships, 612 minecraft and patrol craft, 317 district craft, and 4,404 special boats, making a total building program for the Navy since January 1, 1940, of 5,791 vessels of all types, at a total cost of \$8,473,012,269. The majority of these contracts were awarded within a few days after Congress made the initial appropriations available.

All authorized combatant tonnage, including 150,000 additional tons authorized on December 23, 1941, has been placed under contract.

The progress of the present program is, indeed, a healthy sign of being on the job as far as the Navy is concerned. Notwithstanding the fact that the present program calls for the construction of considerably more than four times as much tonnage as was called for in the last preemergency program, the 20-percent expansion in 1938, all of it was planned for completion by 1947, or within seven-tenths of the time allotted for the earlier and far smaller program. It is now hoped that even this drastically curtailed building program may be reduced by as much as 1 to 2 years. One way of indicating the acceleration of the program which has been made to date is by pointing out that the original estimate to complete the program called for 14,712 work months. Already there has been accomplished a saving on this estimate of approximately 13 percent.

Listen to this: Since January 1, 1940, there have been 56 combatant ships completed, 79 launched, and the keels laid for 168. During the month of November

keels were laid at the rate of almost 2 a day—52, and launchings were also at the rate of better than 1 a day—33. That is with reference to fighting ships. The expansion of the program has brought about this increase in the workmen, in the employees. On January 1 there were 79,246 men working in the navy yards, both the navy yards and the industrial yards. The total number working today is 286,454. I make that statement to justify this bill, which calls for an expansion of \$849,000,000.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. DITTER. I feel confident the gentleman will also pay a part of that credit to the private industrial activities of the country—that is, that private industry is responsible, and that all of the credit does not belong to the governmental establishment, but that a substantial part is due to the resourcefulness of private industry.

Mr. VINSON of Georgia. The gentleman is absolutely correct. This statement that I have just read to you shows that not only the navy yards, but the industrial yards, are doing their part. We are vitally concerned in getting this program through at the earliest possible date, but I measure my words when I say that this program, and the magnificent program submitted to Congress yesterday by the Executive, cannot be completed in the time necessary, if we adhere to the 8-hour law. It is absolutely necessary that workmen in every walk of life in this country work from sunup to sundown, and that every effort be put forward irrespective of any definite number of hours. I hope the Executive will issue the necessary order which he has the authority to issue under the Walsh-Healey Act, to immediately suspend it, and not compel people to feel that they can work only 8 hours a day, because if that is so, they cannot get through this program that I am submitting to you or the program that he made reference to yesterday.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. COLE of New York. In that connection I call attention to the fact that the laboring forces of our Allies in England, are working 59 hours a week.

Mr. VINSON of Georgia. The gentleman is correct.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. WHITTINGTON. The President under existing law has the right to make that order.

Mr. VINSON of Georgia. The President has the right, and we should pay these men who are driving the rivets in these ships, and doing their part, a worth-while wage, and we should pay them for the number of hours that they work.

Mr. WHITTINGTON. One further question. I ask the gentleman at this point if there is any delay or stoppage in repairs or work in the Navy, on account of existing strikes?

Mr. VINSON of Georgia. Oh, let us forget that. That is water over the wheel. Let us not go into that. I am not going to let the gentleman divert me into a discussion of that. The gentleman knows my views and I have only 15 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. MARTIN of Massachusetts. I understand there is in this bill some provision for further expansion of shipbuilding.

Mr. VINSON of Georgia. That is correct. To carry out this program will cost \$8,000,000,000. It became necessary for the Navy to expand the present navy yards belonging to the Government, and the navy yards belonging to private people, and also the industries furnishing armor and ordnance, and all those things necessary to finish a ship. We authorized and there has been appropriated to carry out that program, including this bill, approximately over \$2,230,000,000. So you can see that the shipbuilding program that I have just called to your attention will cost over \$10,000,000,000—\$2,230,000,000 for the expansion of yards and the expansion of industry and \$8,000,000,000 for the work on the ground.

Mr. MARTIN of Massachusetts. I remind the gentleman that several weeks ago I called his attention, when another bill was pending, to a shipyard in my district which had not been utilized. It has in recent months been put in excellent condition and could be utilized for turning out small destroyers. Since that time I have learned the Canadian Government threatens to take some of that machinery and move it over to Canada. This would put the yard out of business. That, of course, would have to be done by eminent domain, because the man does not want to sell his machinery. It would require the consent of the Navy Department to bring about the condemnation. If we are trying to expand our facilities, I ask why do we not take advantage of this shipyard that is all ready to do business and wants to go to work and participate in the defense effort. There are plenty of skilled workmen available; all that is needed is a contract.

Mr. VINSON of Georgia. I agree with the gentleman thoroughly. I cannot see the logic, no one can see the logic, of having idle shipyards and at the same time spending millions of dollars expanding other shipyards.

Growing out of the colloquy that took place before the recess and as a result of it, the Electric Boat Co. has come into the yard in Mr. FITZGERALD's district and is now taking over that yard. I feel sure that if the distinguished minority leader will get behind that proposition—and it will take all of our work to do these things—you can get that done.

Mr. MARTIN of Massachusetts. I am, of course, behind the effort to open the yard in my district. The gentleman does not want to let Canada come in and be the means of closing one of our shipyards.

Mr. VINSON of Georgia. Of course not.

Mr. MARTIN of Massachusetts. I did not believe the gentleman from Georgia

would want that to be done. I am glad to hear him say so.

Mr. VINSON of Georgia. Certainly I would not. If you will give me the information we will have the admiral before us and find out why that is being done.

Mr. MARTIN of Massachusetts. It certainly would not be consistent with your program to close the yard.

Mr. VINSON of Georgia. Not a bit.

Mr. McKEOUGH. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. McKEOUGH. I am delighted about the yard in Mr. FITZGERALD's district. That shipyard has been cared for.

Mr. VINSON of Georgia. That is right.

Mr. McKEOUGH. And I am hoping that as a result of the colloquy referred to by the distinguished minority leader that that one will be taken care of in his district.

Mr. VINSON of Georgia. That is correct.

Mr. McKEOUGH. But the one I discussed with the gentleman, controlled by the American Shipbuilding Co. at South Chicago, which matter I took up with the Secretary of the Navy as a result of the information the gentleman gave me, that you were satisfied that facilities which were available should be used, I have recently been advised by him that the shipbuilding company controlling the facility does not believe it should use those facilities. I am at a loss to understand why we must expand existing facilities, why we must build new ones to avail ourselves of every opportunity to produce the naval program, when that one at South Chicago is not yet used and the company temporarily refuses to use it. I am hoping the distinguished gentleman from Georgia will personally take the matter up in the hope that if the company will not use it, the Government will use it and produce the ships.

Mr. VINSON of Georgia. May I say I certainly hope the Secretary of the Navy will exercise his authority and use every one of these yards. There can be no excuse for this thing. Just think of it. We are in the greatest war this country has ever been engaged in, and yet there are idle facilities in various places in the country, and we are spending \$145,000,000 to expand existing facilities when there are plants available that could be utilized. But I know of no way to make the Secretary of the Navy do it unless he wants to do it. All I can do is to try to reason with him. If I cannot reason with him, I am up against it.

Mr. McKEOUGH. Will the gentleman yield further?

Mr. VINSON of Georgia. I yield further.

Mr. McKEOUGH. I intend to ask the Secretary of the Navy to do it.

Mr. VINSON of Georgia. You ought to do it. Everyone of us ought to do it, but do not charge me with the responsibility of the Secretary of the Navy.

Mr. KNUTSON. May I make the observation that the Secretary of the Navy is from Chicago and therefore must be fully informed.

Mr. VINSON of Georgia. I cannot yield further. My time is short.

Mr. McKEOUGH. May I say in answer to the gentleman from Minnesota that the Secretary of the Navy has recently come to Chicago. I understand he belongs to New Hampshire.

Mr. VINSON of Georgia. Mr. Speaker, I do not yield further.

Mr. KNUTSON. Is the gentleman trying to convey the impression that the Secretary of the Navy is a carpetbagger?

Mr. VINSON of Georgia. Mr. Speaker, I have the floor, and I refuse to yield further.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield to me?

Mr. VINSON of Georgia. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Do I understand that the President has the power to remove the 8-hour law?

Mr. VINSON of Georgia. That is correct.

Mr. CRAWFORD. In the gentleman's concept of fair hours and wages, did you have in mind that time and a half should be dispensed with; that it might be necessary to do that, or did the committee feel that should be continued?

Mr. VINSON of Georgia. Well, that is out of my field. But I know you cannot get this program through, and you know it and every man in Congress knows it, on 8 hours a day.

Mr. CRAWFORD. I agree with the gentleman.

Mr. VINSON of Georgia. Well, it ought to be suspended. With reference to paying them, that is a matter that can be worked out between the employer and the employee or between the Government and its employees.

Mr. CRAWFORD. That answers my question.

Mr. VINSON of Georgia. Now, Mr. Speaker, this bill calls for \$500,000,000 to be spent in shipbuilding facilities, \$250,000,000 for repair facilities, \$50,000,000 for ordnance, \$70,000,000 for ordnance manufacturing, making \$845,000,000. Admiral Robinson and Admiral Blandy were before the committee yesterday and stated that it is absolutely necessary, in the interest of carrying forward this program, that Congress make this money available at the earliest possible date.

After a careful hearing the Naval Affairs Committee unanimously recommended it. Of course, money will be wasted in this program, but I would rather be on the side of a little waste and a little extravagance than not to put forth every effort to get the program through. I do not want the responsibility laid at the door of my committee, nor do I want the responsibility laid at the door of Congress.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

The gentleman from New York is recognized for 15 minutes.

Mr. COLE of New York. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I have asked for time that I might ask the distinguished gentleman from Georgia a question or two, and out of considera-

tion of the fact that his time was rather limited.

With reference to the \$275,000,000 for essential facilities and equipment of private plants, will the gentleman inform the House of the arrangements under which these facilities will be emplaced at the yards? In other words, will they be rented to the private owners? Will there be any recompense to the Federal Government?

Mr. VINSON of Georgia. The gentleman knows that under the Tax Act we have a provision with reference to the amortization of amounts the Government advances. It is under that provision.

Mr. DITTER. It is under that provision of law that this present authorization is sought?

Mr. VINSON of Georgia. That is correct.

Mr. DITTER. And the same thing would hold true with reference to the \$70,000,000 for tools?

Mr. VINSON of Georgia. That is right; in the ordnance plants, for instance.

Mr. DITTER. The other question I should like to have the gentleman from Georgia inform the House about is with reference to the delegation of authority to the Secretary of the Navy to acquire lands at such locations as the Secretary may deem best.

Mr. VINSON of Georgia. It is not the intention by this bill to go out and establish any new facilities where a facility does not exist today. For instance, suppose it becomes necessary at the Washington Navy Yard to acquire additional land for the expansion of the gun factory. Instead of requiring the Secretary to come before Congress and say that he wants to purchase 3 or 4 acres adjacent to the Washington Navy Yard to expand the gun factory, we are giving him the blanket authority in this bill, trusting that the Secretary of the Navy will use good judgment in making these acquisitions. It may also be necessary for him to purchase land in connection with some private concern, perhaps in connection with the Bethlehem Steel Co., or the Midvale Steel Co., or some other great concern. There should be sufficient flexibility that the Secretary could act after determining whether or not the facts with reference to expanding a plant would justify the acquisition of additional land.

If this were a time of peace, a normal time, I would be most exacting of him and say that he must come before us in each instance and state full particulars; but in this time of war we have got to trust the Secretary more than ever before.

Mr. DITTER. If I may suggest—and I believe it is entirely in line with the practice of the distinguished gentleman from Georgia—in times past the theory has been that we should be careful lest these delegations of authority lead us into avenues we had not contemplated.

Mr. VINSON of Georgia. That is right. There is no question about that.

Mr. DITTER. The gentleman from Georgia and his committee have had the opportunity of having the Secretary of the Navy and other officials before them

in order to acquaint the committee with the purposes of this bill, but the membership at large has no information as to what the intentions are.

Mr. VINSON of Georgia. I may say that we did not go into details to find out in what particular areas it is going to be necessary to purchase land for expansion because perhaps they do not know themselves at this time, but they want the latitude and the right, if it becomes necessary, to do so without holding up the program by having to come back to Congress and get specific authorization.

Mr. DITTER. Now, may I ask the gentleman's opinion formed by hearings of the committee on this particular subject—whether the gentleman feels he is fortified in making the declaration to the House that he now makes by hearings of the committee indicating the intention of the Secretary of the Navy with reference to these delegations of authority?

Mr. VINSON of Georgia. I am frank to say that in the inquiry yesterday that field was not gone into as thoroughly as the other parts of the bill. The language of the bill means exactly what it says.

Mr. DITTER. But that is extremely broad. It is all-inclusive.

Mr. VINSON of Georgia. If there is any hesitancy on the part of any Member of Congress thinking this will lead to abuses, I have no objection to its being stricken out, but I warn of the consequences.

Admiral Blandy yesterday wrote a letter to Senator WALSH and myself saying it is necessary to expand the Washington Navy Yard by acquiring a certain piece of property. He did not know whether it was necessary to get authorization or whether he already had the blanket authority. I told him to take it up with the Judge Advocate General's office to see if legislation was necessary; that if it were, it would be forthcoming. He may already have the authority to expand; but we must not place ourselves in the position where the Navy Department will come in here and say: "The reason we are not producing this ordinance is because Congress said we must come here with an itemized bill on every particular."

Mr. DITTER. The gentleman does not imply for one moment that the inquiry I am presently directing would indicate that I have ever shown that attitude?

Mr. VINSON of Georgia. Not by any means. The gentleman has been most liberal.

Mr. DITTER. I am trying to be entirely in accord with the previous attitude of the gentleman from Georgia that unusual delegations of authority lead to abuses.

Mr. VINSON of Georgia. Certainly.

Mr. DITTER. And such safeguards as we can establish should be established.

Mr. VINSON of Georgia. There is no doubt about it. I admit that. You give any individual or official authority and, of course, he can abuse it, but if there is any fear on the part of any Member of the House that it will be abused, if he will offer a motion to strike that section out I will not oppose it.

Mr. DITTER. Would the gentleman himself take the initiative in that regard?

Mr. VINSON of Georgia. No; I will not do it, because I am going to lean backward so far as this is concerned.

Mr. DITTER. It would be rather difficult for anyone who has the confidence that the Members of the House have in the distinguished gentleman from Georgia to accept that invitation.

Mr. VINSON of Georgia. I will pledge the gentleman that the Naval Affairs Committee will address a communication to the Secretary. I will be glad to accept an amendment here that the Secretary must report back to the Congress within 6 months all land acquired under this authorization.

Mr. DITTER. Might we also include the usual phrase that the acquisitions be by purchase or condemnation?

Mr. VINSON of Georgia. Exactly. Will the gentleman draft that amendment? I will accept it with pleasure.

Mr. DITTER. In view of the confidence I have in not only the purposes of the distinguished gentleman from Georgia, but his long experience and knowledge of the subject at hand I would prefer that he draft the amendment so that it might have his absolute support, therefore have the approval of the House without question.

Mr. VINSON of Georgia. It will have my support, if I have time to draft it.

Mr. DITTER. Mr. Speaker, all of us realize that a latitude of authority to the War and Navy Departments may be necessary in time of war which would be unwise and fraught with danger in peacetime. Changes which come from day to day in our prosecution of the war of necessity require some delegations of authority which could be withheld—yes, and which should be withheld—were we not actually engaged. Again, it should be freely admitted that details cannot be disclosed at a time such as this to the same extent as would be desirable under normal conditions.

The circumstances, however, not only call for a relaxation of the customary scrutiny by the Congress, but it also challenges those to whom these delegations are made for an even greater degree of care in the exercise of the power conferred upon them. Responsibility rests somewhere. If perforce we are required, as I believe we are, to relinquish a part of our responsibility of control over these operations, then that responsibility shifts to and becomes a part of the other duties of those to whom the power has been transferred. Upon the shoulders of someone rests the obligation to see to it that appropriations made for war purposes will be prudently and wisely invested or expended so that the maximum benefits may accrue to our people for the burdens they so willingly carry. That obligation cannot float around in the air, unattached and unlabeled.

From time to time our people will inquire, and naturally so, of the progress made and what has been done. I am, in no sense, suspicious of anyone in connection with the proposal before us, least of all the Secretary of the Navy. Knowing him as I do, I believe he will welcome the opportunity to give, from time to time, to the Congress such information

on this subject as he feels will not be a disclosure to the enemy of facts of a secretive nature, but which will be helpful to the Congress in discharging its duty to our people and making even more steadfast the confidence of the country in our armed forces. I am gratified and encouraged to find that the chairman of the Naval Affairs Committee accepts the suggestion which I have made. Were he not persuaded that the best interests of the country would be served, he would not give away, despite his desire to be gracious at all times. I am confident the requirement of a report will be justified and in no way embarrass the operations of the Naval Establishment.

Mr. Speaker, I yield back the balance of my time, and I ask unanimous consent to revise and extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. DITTER]?

There was no objection.

Mr. COLE of New York. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, there are no requests for time from the minority side to discuss this bill, and I can readily understand the reason for that. I dare say there is no member on the minority side of the Naval Affairs Committee who could discuss the bill intelligently, including myself.

As the chairman of the Committee on Naval Affairs has indicated, this bill was considered by the Naval Affairs Committee yesterday morning along with another bill of considerable magnitude. The entire morning session was devoted to the consideration of these two bills.

I recognize that we must be guided in our judgment and action in these matters pertaining to defense and military affairs by our military advisers; at the same time I feel that we as members of the Military or Naval Affairs Committees have a responsibility to the House and to our constituents as well to give careful scrutiny to these recommendations. It may be that there are some cases where hasty action is imperative, but certainly when a bill of this size is considered, it seems to me that more than 2 hours' deliberation and hearings should be devoted to it by the committee having that responsibility.

About 3 weeks ago the Navy Department came before our committee asking for an authorized increase in naval strength of 5 percent. At that time we were assured that no new naval shore facilities or equipment would be necessary to accomplish this increased program. I was rather amazed yesterday to see the bill now proposed costing \$845,000,000. I speak of this not in any way to question the merits of the measure nor to question the sincerity of the officials who sponsored it, but simply to express the hope that in the future more calm, deliberate, complete, and sober judgment may be given to these defense measures. There is not a Member of this House who wants to oppose or obstruct the national-defense program in any way whatsoever, but we should know what we are doing and we should learn as much about the program recommended to us by the naval

and military authorities as is reasonably possible.

[Here the gavel fell.]

The SPEAKER pro tempore. If there are no other requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, \$500,000,000 for essential equipment and facilities at either private or naval establishments for building or equipping any complete naval vessel or portion thereof heretofore or hereafter authorized; \$275,000,000 for essential equipment and facilities at either private or public plants for repairing, altering, or converting any vessel operated by the Navy or being prepared for naval use, of which \$50,000,000 shall be available for essential equipment, tools, and facilities at such plants for the repair, alteration, and upkeep of ordnance material; and \$70,000,000 for tools, equipment, and facilities for the manufacture or production of ordnance material, munitions, and armor at either private or public plants.

SEC. 2. The authority herein granted shall include the authority to acquire lands at such locations as the Secretary of the Navy may deem best suited to the purpose, erect or extend buildings, acquire the necessary machinery and equipment, and in private establishments provide plant-protection installations, and shall be in addition to all authority heretofore granted for these purposes.

Mr. VINSON of Georgia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I want to call the committee's attention to the following: In the break-down of this money \$75,000,000 will be used in the Navy shipbuilding plan, \$75,000,000 in private shipbuilding plants, for expansion of shipbuilding facilities; \$25,000,000 will be used in Navy plants for ship-repair facilities; \$50,000,000 in private plants; \$90,000,000 will be used in air-raid plant protection of shipbuilding facilities in Government yards; and \$10,000,000 in private plants.

Mr. DONDERO. Will the gentleman yield for a question?

Mr. VINSON of Georgia. I yield to the gentleman from Michigan.

Mr. DONDERO. Is any portion of this allotted to the shipbuilding facilities of the Great Lakes area?

Mr. VINSON of Georgia. I asked that question this morning because I knew it was going to be propounded, and they said that this money would be used all over the country wherever there is an existing facility, both private and Government-owned, contributing to the shipbuilding program.

Mr. DONDERO. That would include the Great Lakes section?

Mr. VINSON of Georgia. Yes.

Mr. McKEOUGH. It may be used there?

Mr. VINSON of Georgia. It may be used there; yes.

Mr. Speaker, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 2, line 13, after the word "purposes", begin a new sentence, as follows: "The Secretary of the Navy is hereby directed to report to Congress within 6 months from the enactment of this bill a statement of all land acquired under this section, showing the location and the price of such acquisition."

Mr. VINSON of Georgia. Mr. Speaker, I trust the House will adopt that amendment, because there must be some safeguard, and Congress is entitled to have this information. While it would give him latitude to acquire what he thinks necessary, he should be required to report to the Congress.

Mr. DREWRY. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Virginia.

Mr. DREWRY. I think it would be better to strike out of this amendment the word "bill" and insert "act" in lieu thereof.

Mr. VINSON of Georgia. Yes; I ask unanimous consent, Mr. Speaker, that the amendment be modified in that way.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COLE of New York. Is it intended that the authority conferred by section 2 of the bill is limited to the purposes of this bill?

Mr. VINSON of Georgia. Certainly.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVILIAN DEFENSE BILL

Mr. ANDREWS. Mr. Speaker, in the absence of the chairman of the Committee on Military Affairs, I renew the request that it may be in order to consider tomorrow the bill (H. R. 5727) to provide protection of persons and property from bombing attacks in the United States, its Territories, and possessions, to authorize the procurement of materials and supplies, and for other purposes, to which there was previous objection, which objection, I understand, has now been withdrawn. I also ask that the general debate be limited to 2 hours, 1 hour to be controlled by the chairman of the committee and 1 hour by myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

INCREASING THE AUTHORIZED ENLISTED STRENGTH OF THE NAVY AND MARINE CORPS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table for immediate consideration the bill (S. 2149) to amend the act approved April 22, 1941 (Public Law 39, Seventy-seventh Congress), so as to increase the authorized enlisted strength of the Navy and Marine Corps, and further ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved April 22, 1941 (Public Law 39, 77th Cong.), be, and the same is hereby, amended as follows:

(a) Section 1, second sentence, delete the words "three hundred thousand" and insert in lieu thereof the words "five hundred thousand."

(b) Strike out section 4 and insert in lieu thereof the following:

"SEC. 4. Hereafter the authorized enlisted strength of the active list of the Marine Corps shall be 20 percent of the authorized enlisted strength of the Navy. The President is hereby authorized, whenever in his judgment a sufficient national emergency exists, to increase this number to 104,000."

Mr. VINSON of Georgia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the purpose of this bill is to authorize an increase in the enlisted strength of the Navy during the emergency from 300,000 to 500,000. Under the law today, the number of men permitted to be enlisted in the Regular Navy is fixed at 234,000. Under the act of April 22, 1941, in an emergency the enlisted strength may be increased to 300,000. There are approximately 87,000 men in the Naval Reserve. Approximately 213,000 have already enlisted in the Navy. This bill permits the emergency strength to be 500,000 men for the Navy and 104,000 men for the Marine Corps. As far as the Marine Corps is concerned, the law permits an emergency enlistment of 60,000, and they are up to 58,000 to date. Since the 7th day of December the enlistment in the United States Navy and the Marine Corps has exceeded that of any other period in the history of enlistment of the Government.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. COLE of New York. In that connection, I think it might not be a divulgence of any confidence and might be of interest to the House to say that the enlistments for December, since December 7, have increased 700 percent over what they were for November.

Mr. VINSON of Georgia. That is right; that is what has happened since the 7th day of December.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Michigan.

Mr. DONDERO. Are there any selectees or drafted men in the Navy?

Mr. VINSON of Georgia. No selectees or draftees have yet been called into the service. If the enlistments continue as they have from December 7 down to yesterday, it will not be necessary to call them into the service.

Mr. CLASON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Massachusetts.

Mr. CLASON. I should like to know if reenlistments are also being received and reenlistment allowances given to the men.

Mr. VINSON of Georgia. We have not inquired into that, because under a law we now have we can hold the men during the emergency; however, I imagine a great many of them will reenlist.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Under the Selective Service Act, can men be called into the Navy?

Mr. VINSON of Georgia. Yes; under the Selective Service Act men can be called into the Navy, but up to date we have not called a single one.

Mr. CLASON. The gentleman told us on the floor a few weeks ago in connection with another bill that you desired to have the right to continue to pay reenlistment allowances.

Mr. VINSON of Georgia. We do. That is the law today.

Mr. CLASON. You are paying these reenlistment allowances?

Mr. VINSON of Georgia. Yes; if any come within the purview of that law they will be paid, of course.

Mr. CLASON. To that extent, may I point out, however, that reenlistment allowances are no longer possible in connection with the Army. This being so, why is it that one branch of the armed forces should obtain advantages not open to men serving in other branches?

Mr. VINSON of Georgia. The reason is that after the emergency we must have men with definite contracts to operate the Navy.

Mr. CLASON. Why is not that true of airplanes and other things of that sort in the Army Air Corps?

Mr. VINSON of Georgia. It may be equally as important to have a definite contract in such cases as it is to have such a contract for a man who is to handle a \$100,000,000 piece of machinery.

Mr. CLASON. It seems to me if the Army man is making a career of it, as a private or a corporal, after he has served three or four enlistments, if his term of enlistment runs out in the midst of this war he should be allowed to obtain the same advantages that some sailor may have.

Mr. VINSON of Georgia. If the gentleman feels that way about it I trust the Congress will give the matter its consideration just like it did when I presented a bill with respect to reenlistments in the Navy. I understand the distinguished gentleman is a member of the Military Affairs Committee.

Mr. CLASON. That is true.

Mr. VINSON of Georgia. And I trust he will exercise his rights with due diligence and bring the matter before the House for its consideration.

Mr. CLASON. I am doing that because the Adjutant General of the War Department states that he assumes that Public, No. 337, will be administered by the Navy in such manner as will result in no discrimination against enlisted men in the Army, and, this being so, I was wondering if there could not be some uniformity in the way these laws are carried out.

Mr. VINSON of Georgia. I am only charged by the House, along with my colleagues on the Naval Affairs Committee, with the responsibility of presenting legislation with respect to the Navy. The gentleman is charged with the same responsibility by the House with respect to the Army.

Mr. CLASON. Does not the gentleman think it would be fair for the enlisted man to get a reenlistment allowance

whether he is in the Army or in the Navy?

Mr. VINSON of Georgia. I think the two services should work together and have the same rules apply as far as possible.

Mr. HAINES. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Pennsylvania.

Mr. HAINES. I do not know whether it is appropriate for me to ask this question or not, but I would like to have an answer to the question for my own information: What is the status of the merchant marine in respect of the Navy?

Mr. VINSON of Georgia. The merchant marine is not a part of the Navy in the sense that we have jurisdiction over the personnel. The Coast Guard has already been placed under the jurisdiction of the Navy Department. The merchant marine operates under a Merchant Marine Commission, of which Admiral Land is the head; but the ships, of course, can be diverted from the merchant marine to the Navy for any purpose, but the personnel is a voluntary contract arrangement between the employer and the employee.

Mr. Speaker, if there are no further questions, I ask for a vote on the bill.

The pro forma amendment was withdrawn.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include some advertisements and to proceed, if I need it, for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

WHAT PRICE PATRIOTISM?

Mr. HOFFMAN. Mr. Speaker, while battles are being fought throughout the world to preserve democracy and freedom of individuals and representative government, right here in Washington, since last Monday and continuing today, a battle is being fought in which industrial management has been fighting to preserve the right of the individual to engage, without restriction, in the effort to prepare for national defense and win the war.

From the morning press and from the press of yesterday there appears evidence that the administration has joined hands with certain labor leaders to force the management of our industrial plants to turn over their property, the property of the stockholders, to the tender mercies of the labor leaders by forcing industry to accept labor management. This fight, now being made by business executives, is a fight to preserve freedom right here in America. It is a fight to prevent the adoption of the communistic theory of government. It is a fight which, if lost, means state socialism.

It means the putting into one pot of all property and by control over wage-hour and defense contracts a redistribution of that property by so-called labor leaders in the form of wages and by the Government in the form of taxes.

Mr. Speaker, the two great labor organizations of the country—the A. F. of L. and the C. I. O.—have announced that until the war has been won there will be no strikes. By that announcement organized labor is placed in the same category, on the same plane, occupied by every patriotic citizen. Unfortunately in enlisting for the duration of the war certain leaders of organized labor are insisting that it be paid a price for an all-out patriotic effort to win the war. This drive for special consideration does not, I believe, have the approval of the average employee.

On Monday last there appeared in a Washington paper a full-page advertisement captioned "An open letter to Mr. OPM." That advertisement was signed by the Congress of Industrial Organizations, Philip Murray, president; United Automobile, Aircraft, and Agricultural Implement Workers (C. I. O.), R. J. Thomas, president, and George F. Addes, secretary-treasurer, and it was an effort to shift the responsibility for the millions of man-days lost on the national-defense program preparations from the shoulders of organized labor to the O. P. M. and industry. It was also a part of the drive which leaders of organized labor are making to socialize industry throughout the Nation and obtain a share in the management of industry without assuming any of the losses which might be sustained. Some leaders of organized labor believe that if they once can cause the Government to assume control of industry they then, through political power, can fix wages and hours of employment and so bring the rest of our people under their domination.

This advertisement, marked "Exhibit A," will be printed in full at the close of these remarks, but its salient features are these: It calls attention to the losses which have been sustained in the Pacific and states the well-known fact that to bring this war to a victorious end we must produce a maximum of the implements of war as quickly as possible. It omits the equally well-known truth that the maximum of the implements of war can only be obtained if the cost of production is not excessive—that every dollar of added cost, the total amount of funds available being necessarily limited, but lessens the number of implements of war which can be produced. The advertisement then refers to the well-known fact that the automobile industry is the greatest mass-production organization in the world, and proceeds to charge that 250,000 men trained in precision and mass-production methods are now idle, that before the month is over 400,000 men will be idle, and that the Nation will lose 200,000,000 man-days of war production every week because of the failure to employ these 400,000 automobile workers. The cause of this loss, these two labor organizations then charge, is due to the failure of the O. P. M. and the management of the

automobile industry to adopt the so-called Reuther plan. What was the Reuther plan? In its simplest form, it was a suggestion that the tools, machinery, the equipment, the buildings used in the production of motor vehicles be used to produce the implements of war. Apparently a very wise suggestion. Something similar was once suggested to an apple grower who found that the price of apples was down while that for pears was up. It was suggested to him that he turn the apple-producing trees into the production of pears. Now do not smile; it can be done by grafting, but those who try it will learn that it will take some years to bring a grafted apple tree into pear production. Reuther's suggestion, as he must have known, and as the engineers found, was not practical.

WATER OVER THE DAM

Little, if anything, is to be gained by rehashing the mistakes of the past. As the gentleman from Georgia [Mr. Vinson] said, the strikes are water over the dam—but we still have strikes, and the same old dam is still with us. So that there may be no misunderstanding, and because some evidence of what men will do may be obtained from what they have done, and so that the record may be accurate, let us take a look at a few of the things which have happened in the past. Mr. Murray, Mr. Thomas, and Mr. Addes now complain because man-days on national-defense production are lost, and they charge that loss to the O. P. M. and to industry. The loss of manpower in wartime can be more serious than the loss of that power in peacetime, but the principle which forbids idleness, especially enforced idleness which is nothing more nor less than involuntary servitude, is the same. Where were these gentlemen—Mr. Murray, Mr. Thomas, and Mr. Addes—when on the 31st day of December 1936 they marched their armed cohorts into the State of Michigan and drove hundreds of men and women from their jobs, took possession of the automobile industry in the city of Flint, and at a loss of a million dollars a day for 44 days held possession of that industry and deprived those workers of their wages?

Where were you, Mr. Murray; where were you, Mr. Thomas; where were you, Mr. Addes, in those days? Knowing where you were then, what reason have we to now believe we would find you in a different position? Then you were behind the lawless goon squads which defied the orders of the court and violated the law of the land. Where were you three gentlemen when for 52 days in the State of Michigan the Chrysler strike tied up those plants? Where were you on innumerable other occasions when by force and by violence and through beatings you closed factories and turned hundreds of honest men and women from work and back to their homes? Where were you three gentlemen when the switches in the powerhouses of eastern Michigan were pulled and fire departments and hospitals were without light or current to carry on their life-saving activities? You were behind the men who were doing those jobs, and you now have the nerve to turn on the O. P. M.

and industrialists and charge it and them with nonproduction. Where were these three gentlemen on August 29, 1939, and again on September 15 of the same year, when strikes were called in all seven plants of Bohn Aluminum & Brass Corporation at Detroit, which at the time were engaged in the manufacture of castings for airplane engines for the Naval Aircraft Factory, Navy Yard, Philadelphia, Pa.? Where, I repeat, were these three men on September 28, when the United States Navy resident inspector of Navy material at Detroit asked the regional director of the U. A. W., Congress of Industrial Organizations, after informing him of the seriousness of the delay caused by the strike, for permission to remove the finished materials and patterns belonging to the United States Navy through the picket line, and was told by the C. I. O. representatives in charge that it would not be permitted? At that time the subordinates of these three men—Murray, Thomas, and Addes—not only were delaying the national-defense program, the production of aircraft engines, but they were defying the United States Navy; and here in my hand is the letter from Acting Secretary of the Navy Edison which proves that fact.

If again the interests of the C. I. O. run counter to the demands of the Navy, what will these three men do? On which side will they be found?

Yes, the list of strikes which they have sanctioned and approved and which have interfered with the national-defense program might be continued almost indefinitely. Have they forgotten the strike at the Allis-Chalmers plant in Wisconsin when for 76 days the production of material necessary for the Army and the Navy, for the equipment of a powder plant here in Virginia was delayed? For 76 long days a Communist, Harold Christophel, at the head of the C. I. O., kept that plant closed, prevented the production of war materials for national defense. On which side of the controversy were these three men who now make charges against the O. P. M. and manufacturers? They were ranged alongside the Communist C. I. O. which had forged more than 2,000 strike ballots in an attempt to justify their action.

When ships made by the Navy were in the ways ready to be launched and the C. I. O. prevented that launching because the men who would send the ships into the water were not members of the C. I. O. in good standing, where were these three men who clamor for production? When, on the one hand the Government was asking for the launching of the vessels to carry the cargoes to Europe, and on the other hand the C. I. O. insisting that they should not be launched until members in good standing performed the work, where did the three men array themselves, on the side of the Government or with the members of their union? Who called the strike of Air Associates at Bendix and tied up Government work until every employee had paid his dues to the C. I. O.? Again it was the C. I. O. which delayed production. More recently when the steel mills needed coal for wartime production,

who was it who said coal would not be dug unless by men who had paid tribute to their organization?

Down toward the end of the advertisement you find this sentence:

Labor is ready and determined to do its part in the national war effort. It is ready to accept the bitter necessity of a righteous war.

But the record shows that the men who signed this advertisement and the organizations which they represent have time and time again expressed their willingness to do their part, but only if they had their own way; if they were permitted to levy tribute upon every man who wanted to work in defense of his country.

The instances which I have cited are but a few, a very few, of the many strikes which have been called in national-defense industries. Not for one moment do I believe that American workers stand back of or approve the demands of these so-called leaders.

Appended hereto and marked "Exhibit B" is a list of strikes and the number of men involved, concerning A. F. of L. unions and C. I. O. unions which have occurred from May 26 to October 10, 1941, and also a list of such strikes from October 17 to November 7, 1941.

Yes, in this advertisement these two unions and their officers state that "Labor is ready and determined to do its part in the national war effort. It is ready to accept the bitter necessity of a righteous war," but what they do not put into the ad is this: That they insist upon no modification of the wage-hour law. They do not add here the fact that they will only do their part in this war effort provided a wage and a half for all overtime and double pay for Sundays and holidays is provided. A price fixed by them on payment of which and only on the payment of which will they go into an all-out war effort. While the farmers, the white-collar worker, the clerk behind the counter, the professional man, the secretaries of Senators and Congressmen and the Senators and Congressmen themselves, yes, every mother's son of us who does not belong to one of these unions is expected and is willing to devote all of his time to the defense of his Nation without additional compensation, these three men, Murray, Thomas, and Addes, insist that they will make a like effort only when and if their members receive extra compensation for being patriotic; for working in defense of their own jobs, their own property, their own liberty, their own freedom. Well, you cannot make me believe that the millions of men these three claim to represent are any different in patriotism and loyalty to their country and its cause than the rest of us, or that they are unwilling to work to win the war unless they receive pay and a half for overtime.

In this advertisement they state that by the end of this month 400,000 will be idle, men who are ready and willing to work, if the O. P. M. and manufacturers will perform their part. The manufacturers will furnish the jobs and the membership of these two organizations will go to work, 400,000 of them, when?

When they get pay and a half for overtime and double pay for Sundays? What does it mean to the Nation? It means this:

On the 40-hour-a-week basis, if we are to have a 10-hour day and a 6-day week, it means that 2 hours must be added to each of the five 8-hour days, that in addition to this 10 hours of overtime there is another 10 hours for Saturday overtime, or a total of 20 hours' overtime for which these workers will receive, and they will only work if they do receive, pay and a half or \$10 extra in addition to their regular pay at a dollar an hour. It means that if they work 10 hours on Sunday, they will receive not \$10, the regular pay, but \$20, or \$10 extra which is added to the \$10 for overtime. So we find that every man who works 10 hours a day 7 days a week in the national defense program will work only, if he follows the orders of these organizations, provided he is paid an extra \$20 for the week's work. Just multiply that by the number of men, 400,000, and you have added \$8,000,000 to the national-defense-program cost.

So we learn through the advertisement that Philip Murray, Thomas, and Addes and these two labor organizations are going in for an all-out effort in the national-defense program provided they as employees receive \$8,000,000 a week premium, the tribute paid by the rest of us for their patriotic efforts.

Is it not time that we analyze the demands and motives of some of these so-called labor leaders?

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. BRADLEY of Michigan. Do you suppose those three gentlemen would advocate an 8-hour day in the trenches?

Mr. HOFFMAN. Of course not. And do not forget, as far as I know, everyone else is willing to work all the time. I know Congressmen are. I know their secretaries are. I know the clerks in the departments are willing.

Another point which should be made: In the conferences now being held here in Washington the labor leaders are insisting upon control of national-defense production. They insist that wage-hour schedules of peacetime be maintained. When everyone else is engaged in an all-out effort, regardless of profit or financial welfare, union leaders insist that no one shall be permitted to engage in national-defense work until he pays tribute to the organization. That demand was characterized by the President as "Hitler-like," and the President stated in so many words that he would not stand for it. Nevertheless, the closed shop is still being demanded, and the Board appointed by the President forced it upon the captive mines.

Is it not time that the Congress passed a declaration of policy or enacted legislation which will prohibit the requirement as a condition precedent to engaging in national-defense work of the payment of dues to any organization? Such a bill was introduced by me long, long ago, but it is slumbering in a pigeonhole. Why not resurrect it and give it the effect of law?

Again labor organizations are insisting upon a share in management. According to the press, the two great labor organizations have assets of over \$70,000,000. Their annual revenue can be figured in millions. If they believe in their executive ability, if they are in this war insisting upon a share in management, is it unreasonable to ask that they build a factory and operate a factory producing the implements of war and give a demonstration of the soundness of their theory, proof of their managerial ability? What would be the extent of our production if the chief executives, the engineers, the office workers, all those who through the use of their intellect have kept the wheels of the industries turning, followed the course of other employees and went on strike? Would the heads of the unions, the employees in the shops, be able to keep the wheels turning? Can the employees who do the skilled work get along any more easily without the executives than can the executives without the men who perform the actual work? Is not each dependent upon the other?

Is it not time that the leaders of organized labor evince their willingness to serve equally with the others of our Nation? Would it not go far to establish national unity if Mr. Murray, Mr. Thomas, and Mr. Addes, speaking for their organizations, and Mr. Green, speaking for the A. F. of L., in a full-page ad, or for the sake of economy as a news item, tell the rest of us that, for at least the duration of the war, they are willing to drop their demands for a closed shop, that they are willing to let every American parent, every American brother, every American having a relative in the military services work in mine, mill, or factory to aid in producing the implements of warfare, the food, and the clothing which the boys in the ranks need, without first signing on the dotted line, without first contributing to the organizations which these gentlemen represent?

Would it not be a great contribution to the winning of the war for these men to say that the members of their organizations will serve as the soldiers in the ranks are serving, as the sailors on the ships and submarines, as the pilots who guide our planes through the skies are serving, as the rest of us are serving, for ordinary pay, without demanding that for the preservation of our Nation they receive pay and a half for every moment's time they work over 40 hours a week; that they receive double pay perchance they are called upon to work on Sunday or holiday?

Oh, come now, Mr. Murray, Mr. Thomas, and Mr. Addes, how about it? Is there a price on your patriotism, and to get your loyal service, your full-time efforts, must we give you pay and a half or on occasion double pay? Surely you do not mean that.

EXHIBIT A

[From the Washington Post of January 3, 1942]

AN OPEN LETTER TO MR. OPM

Mr. OPM, you read the news. Wake Island has been taken. Guam has been taken. The Philippines are in dire

straits. The United States—the Nation with the greatest mass-production machinery—has been unable to match Japan in equipment.

Why is that, Mr. OPM?

You know that to bring the war to a quick, victorious end, we have to produce a maximum of the implements of war as rapidly as possible.

You know that our automobile industry is the greatest mass-production organization in the world. We have the basic machinery, the plant space, the skilled manpower, the managerial force to produce tanks and planes, guns and trucks. We can give our country and our allies unquestioned military superiority over our enemies.

Mr. OPM, why aren't we doing it?

Half of the Nation's auto plants today are closed down. Virtually all of them will be down by the end of January—blacked out, not by Hitler and Japan.

Approximately 250,000 automobile workers—men trained in precision, mass-production methods, and highly skilled tool and die makers—are now idle. Fully 400,000 will be idle by the end of January.

The Nation has lost 2,000,000 man-days every week in war production through failure to put the 400,000 automobile workers to work.

Does this make sense, Mr. OPM?

Our war production is poorly allocated. It is on an insignificant scale—in inadequate quantities. Only a few plants are turning out the vital materials of war. Only one General Motors plant has been converted. We are promised accomplishments many months from now when new plants will be completed.

This is the record of the costly price we have paid for permitting business as usual to shunt aside the needs of national security.

Here is what the Tolan committee of the House of Representatives thinks of our war production today:

"1. Only a negligible part of this (the automobile industry's) plant capacity is presently employed in the war effort.

"2. A great automobile corporation showed that it was producing the tools of war at a rate which, if general, would require 15 years for the completion of the armament program already projected.

"3. Manufacturers have been reluctant to convert their production facilities from civilian to military production, and the defense agencies of the Federal Government have not required such conversion."

Mr. OPM, more than a year ago the Congress of Industrial Organizations presented a simple, practical plan for utilizing and adapting the available machinery in the automobile industry for plane production. The program, drafted by Walter P. Reuther and other members of the Congress of Industrial Organizations Automobile Workers' Union, was referred to you for study and recommendations. You did nothing about it.

Similar plans for increasing production of steel, aluminum, copper, and other materials vital to the successful execution of the war program were proposed. You did nothing about them.

Labor is ready and determined to do its part in the national war effort. It is willing to accept the bitter necessities of a righteous war.

Labor has the right to expect that industry shall also do its part.

On Monday, in Washington, representatives of automobile labor, automobile management, and of OPM will meet to determine what part the automobile industry is to play in America's war effort. It is a conference long overdue.

The automobile workers' proposals for all-out production will again be placed before you.

Mr. OPM, the responsibility of war production is yours. What are you going to do?
 CONGRESS OF INDUSTRIAL ORGANIZATIONS,
 PHILIP MURRAY, *President*.
 UNITED AUTOMOBILE, AIRCRAFT, AND AGRICULTURAL IMPLEMENT WORKERS, CONGRESS OF INDUSTRIAL ORGANIZATIONS,
 R. J. THOMAS, *President*.
 GEORGE F. ADDES, *Secretary-Treasurer*.

EXHIBIT B

[The Washington Post, Monday, January 5, 1942]

LET'S GET TO WORK!

The OPM has scheduled a meeting for today on the future war work of the automotive industry. The time has come for some straight talk and clear presentation of facts.

We all want to win this war as soon as humanly possible. The Nation knows that industrial superiority will do it. That superiority belongs to America, so long as our industrial resources are wisely used and the managements that created this superiority are allowed to do the job without interferences.

The automotive industry didn't wait until Pearl Harbor to start doing its part. Since the beginning of the emergency, the industry has had the vision to see ahead and realize what the country might require of it.

We knew the job of converting plants, machines to bring out new models and new products. We have been doing it for years.

While the American people were still debating—as is their right in a democracy—the questions of conscription, convoys, lend-lease and other problems of early 1941, this industry was at work on United States defense production.

On hundreds of projects, 1941 marked the transition from the tooling-up stage to mass production. Billions of dollars of war work is now the job of this industry. Present capacities are being doubled, tripled, and in some cases, quadrupled. Guns, cannons, tanks, airplanes, and airplane engines are being shipped at a rate double that considered possible a year ago.

The industry's executives and engineers early realized this job could not be done by job shop methods—a cannon on the lathe this morning and a crankshaft on the same machine this afternoon. The volume and mechanical perfection of this war material demand accurate tooling and uninterrupted mass production.

The automotive industry is prepared to carry out in letter and spirit the requirements of the Government of the United States for war production. We have cleared the decks for all-out action. We mean it—to the uttermost.

The Government has far more work ahead, work that must be done by our industry if it is to be done at all and if it is to be done in time.

We stand, however, under an attack and a challenge. This attack impugns our integrity, our ability, our loyalty to our country.

We can take it, and rest our case on the quality and the volume of war materials our plants are now turning out, and will turn out. But the attacks on this industry's war work constitute a gross attempt to deceive the American people—raising false hopes and expectations. Above all, they are designed to create division so that certain groups may obtain control of the productive machinery of the United States.

Call them by any name you will, the plans of certain labor leaders constitute a design to transfer management of the automotive industry from the men who know how to

make things, to those who have no training or qualifications for the responsibility.

The men who led the original sit-down strikes, who tolerated and encouraged not scores but hundreds of sit-downs, slow-downs, and other forms of production sabotage, now propose that they are the capable ones to guide the greatest single, behind-the-lines responsibility—production for war.

The automotive industry has been criticized by people, some with a genuine desire to help this country, and others hiding ulterior motives behind a cloak of patriotism.

We have been accused simultaneously of refusing to do our part, and of obtaining an excessive proportion of the war production program.

Next, while it was being alleged falsely that we subordinated our war work to civilian production, we ourselves had to cope with delay after delay in the war production preparations, as a result of changing conditions.

We have put in enormous amounts of time and effort figuring on assignments which did not develop. We have sought contracts to get started on—more contracts to keep plants operating—to keep our men employed—and, most important of all, to produce useful weapons for our Army and Navy.

The sudden shutting-off of the crude rubber supply and the consequent emergency curtailment of civilian automobile production has suddenly upset all plans, making it impossible to keep automotive workers employed as planned during the time that the industry is tooling up for the transfer of production activity into additional war work.

The planning of this transition from civilian to war work has had to evolve. As late as last August, the Senate of the United States voted to strike from an appropriations bill, as unnecessary, \$1,347,000,000 with which the Army sought to acquire reserves of ordnance equipment including tanks and trucks.

On the records of the Tolan Committee of the House of Representatives is the statement of Under Secretary Patterson that earlier curtailment of car production, which he had urged, probably would not have resulted in greater employment of our industry's facilities because the Army did not have the work to put in them. Men who are unemployed today would have been unemployed then and still would be unemployed.

We are not criticizing—we are not blaming. We might have proposed doing many things differently, but quarter-backing from the bench and the stands doesn't win games.

To further intensify the industry's war effort, in Detroit last week there was formed the Automotive Council for War Production. It is voluntary mechanism to throw all of the technical knowledge and skill, acquired in the industry's initial war production, into the task of saving time and effort for those who will have to deliver on new, additional jobs.

It will not replace the need for machine tools that the industry does not have. It will not convert special automotive tools to war work that could not be converted yesterday—but it will do a job because it has back of it the sincere, unqualified determination of men who know their jobs.

Management can have only one objective today—to help secure victory on the battlefield. We can do our part of the job. We have already demonstrated that. We can do the bigger job ahead if we are given the proper authority and opportunity to apply our experience and proven ability in the field of mass production.

We cannot do it, nor can anyone else do it, if responsibility and authority are taken away and compromise and debate are substituted.

We do not believe that anyone should play politics with this job. Give us the blueprints, specifications, and the orders, and we will deliver the goods.

Let's get to work!

AUTOMOBILE MANUFACTURERS ASSOCIATION.

STRIKES IN DEFENSE INDUSTRIES IN THE UNITED STATES FROM MAY 26, 1941, TO OCTOBER 10, 1941¹

INVOLVING AMERICAN FEDERATION OF LABOR UNIONS

Building trades

Defense Housing, Indian Head, Md. (480).
 Hercules Powder Co., Radford, Va. (200).
 Rock Island Sash & Door Co., Rock Island, Ill. (595).
 Rock Producers Association, San Diego, Calif. (270).
 Ethyl Gas Plant, Baton Rouge, La.
 Naval Ordnance Depot, Charleston, S. C. (400).
 Curtiss-Wright Airplane Plant, Columbus, Ohio (100).²
 Curtiss-Wright Plant, St. Louis, Mo. (4).
 Defense Housing Project, Baltimore, Md. (200).
 Duquesne Light Co. Plants, Brunot Island and Wireton, Pa.
 Jefferson Barracks, St. Louis, Mo. (1,850).
 Army Quartermasters Depot, Philadelphia, Pa.
 Wright Aeronautical Corporation, Cincinnati, Ohio (150).
 Duquesne Light Co. Plant, Pittsburgh, Pa.
 Manhattan-Long Construction Co., Tulsa, Okla. (60).
 Plum Brook Ordnance Plant, Sandusky, Ohio (600).
 Naval Air Station, Pensacola, Fla. (1,000).
 Portsmouth Navy Yard, Portsmouth, N. H. (800).
 Camp Lockett, Campo, Calif. (800).
 Cape Henlopen Fortifications, Lewes, Del. (600).
 Republic Aircraft Products Co., Detroit, Mich.
 Curtiss-Wright Propeller Plant, Beaver, Pa.
 J. E. Sjostrum Co., Philadelphia, Pa.
 Republic Aircraft Corporation, Farmingdale, N. Y.
 Naval Defense Project, Key West, Fla. (1,600).
 Louisiana Shipyards Co., New Orleans, La. (1,500).
 Army Ordnance Depot, San Jacinto, Tex. (1,500).
 Red River Ammunition Dump, Texarkana, Tex. (1,000).

Metal trades

Bethlehem Shipbuilding Corporation, and four other yards, San Francisco, Calif. (1,200).
 Crescent Tool Co., Jamestown, N. Y. (500).
 Eagle Iron Works, St. Louis, Mo. (28).
 Louisville Tin & Stove Co., Louisville, Ky. (225).
 Naval Ordnance Depot, Charleston, S. C. (400).
 Superior Structural Steel Co., St. Louis, Mo.
 Andrew Terry, Terryville, Conn. (225).
 Gilbert Brass Foundry, St. Louis, Mo. (50).
 Sawyer Foundry & Machine Co., Oswego, N. Y. (31).
 St. Louis Steel Fabricating Co., St. Louis, Mo. (200).
 McManus Steel Co., Buffalo, N. Y.
 Piper Aircraft Corporation, Lock Haven, Pa. (900).
 Missouri Rolling Mill, St. Louis, Mo. (550).
 Dayton Steel Foundry, Dayton, Ohio (300).

¹ Figures in parentheses in the lists indicate the approximate number of employees involved in each stoppage.

² This item lists 100 employees on strike for the week ending June 27, and for the week ending July 4 it was given as 150.

Federal Manufacturing Co., Brooklyn, N. Y. (40).
 Mechanical Foundries, Inc., Los Angeles, Calif. (70).
 Marshall Deane & Co., New York City (20).
 Mitchell Metal Products, Cleveland, Ohio (160).
 Todd Galveston Dry Docks, Inc., Galveston, Tex. (2,000).
 American Brake Shoe & Foundry, Mahwah, N. J. (450).
 American Magnesium Bronze Co., Philadelphia, Pa. (84).
 Curtiss-Wright Propeller Plant, Caldwell, N. J. (225).
 Nevada Consolidated Corporation, Santa Rita and Hurley, N. Mex. (2,100).
 Quaker City Iron Works, Philadelphia, Pa. (374).
 Knoxville Iron Co., Knoxville, Tenn. (400).
 Milwaukee Malleable & Grey Iron Works, Milwaukee, Wis. (350).
 United States Gauge Co., Sellersville, Pa. (1,500).
 Fitzgibbons Boiler Co., Oswego, N. Y.
 California Shipbuilding Corporation, Los Angeles, Calif. (285).
 Richmond Radiator Co., Uniontown, Pa. (890).
 American Car & Foundry Co., Buffalo, N. Y. (1,500).
 Ryerson & Sons Steel Co., Buffalo, N. Y. (100).
 Tubular Rivet & Steel Co., Wollaston, Mass. (750).
 Ingalls Shipbuilding Corporation, Pascagoula, Miss.
 John Harsch Bronze & Foundry Co., Cleveland, Ohio (285).
 Mather Spring Co., Toledo, Ohio (700).
 Western Foundry Co., Chicago, Ill. (500).
Operating engineers
 Phillips Petroleum Co., Kansas City, Kans.
 Army Ordnance Depot, Kendia, N. Y. (150).
Textile workers
 Lafayette Worsted & Spinning Co., Woonsocket, R. I. (900).
 Field & Hatch Knitting Co., Cohoes, N. Y. (240).
 Premier Worsted Co., Bridgeton, R. I. (240).
 Keasbey & Mattison Co., Ambler, Pa. (1,000).
 American Woolen Mills, Fulton, N. Y. (1,100).
Teamsters and warehousemen
 New York Warehouses, New York, N. Y. (1,450).
 Pittsburgh Truckers, Pittsburgh, Pa. (1,500).
 Joseph P. Ryerson, Detroit, Mich. (100).
 Kains Motor Truck Co., Logansport, Ind. (530).
 Pioneer Flint Kote Co., Logansport, Ind. (550).
Garment workers
 Belle Knitting Mills, Sayre, Pa. (1,000).
 Standard Knitting Mills, Knoxville, Tenn. (2,800).
Ladies' garment workers
 Standard Knitting Mills, Knoxville, Tenn. (2,800).²
Teamsters
 Faltoute Iron & Steel Co., Newark, N. J.
 Bethlehem Shipbuilding Corporation, New York, N. Y. (70).
 Washington Truckers, Washington, D. C. (600).
Brick and clay workers
 Clay City Products Co., Uhrichsville, Ohio.
 Haggerty Brick Co., Detroit, Mich.
Cement workers
 Lone Star Cement Co., Birmingham, Ala. (160).
 Gager Lime Manufacturing Co., Sherwood, Tenn. (185).

² This is apparently the same strike as the one listed under garment workers.

Auto workers

Oliver Farm Equipment Co., Battle Creek, Mich. (450).
 Electric Auto-Lite Co., Port Huron, Mich. (650).
 Sealed Power Corporation, Muskegon, Mich. (1,160).
 Precision Parts Co., Ann Arbor, Mich. (150).
 Challenge Machinery Co., Grand Haven, Mich.
 Dake Engine Co., Grand Haven, Mich. (94).
 Shaw Box Crane & Hoist Co., Muskegon, Mich. (700).

Seafarers' Union

Seas Shipping Co., New York, N. Y. (27).

Sailors and seafarers

Alcoa Steamship Co. and five others, New York City, Mobile, Ala., New Orleans, La., and Boston, Mass.

Electrical workers

Indiana Ordnance Works, Charlestown, Ind. (500).
 Gulf State Utility Co., Baton Rouge, La. (150).
 Consolidated Edison Co. and other plants, New York City (8,000).
 Kansas City Power & Light Co., Kansas City, Mo. (2,200).
 Anaconda Wire & Cable Co., Muskegon, Mich. (750).

Shoe workers

Western Leather Co., Milwaukee, Wis. (200).

Butcher workers

New York Butchers Dressed Meat Co., New York City (400).⁴

Furniture workers

Downey Bros., Inc., Los Angeles, Calif.

Steel workers

Indiana Steel Products, Valparaiso, Ind. (235).
 Rockford Drop Forge, Rockford, Ill. (550).

Rubber workers

Converse Rubber Co., Malden, Mass. (1,200).

Clothing workers

Appalachian Knitting Mills, Knoxville, Tenn. (2,000).
 Kansas City Hat Manufacturing Co., Kansas City, Mo.

Hat and cap workers

Continental Hat Co., Kansas City, Mo. (5).

Railway carmen

Pullman Standard Car Manufacturing Co., Michigan City, Ind. (1,800).

Street railway employees

Detroit Transit System, Detroit, Mich. (4,000).

Longshoremen

Pennsylvania Alcohol Co., Philadelphia, Pa. (1,600).

Technical engineers

Shaw Box Crane & Hoist Co., Muskegon, Mich. (700).

Office workers

Army Ordnance Works, Plum Brook, Ohio (175).

Miscellaneous

Aero Spark Plug Co., New York, N. Y. (900).
 Continental Can Co., Jersey City, N. J. (600).
 C. G. Hussey & Co., Pittsburgh, Pa. (700).
 Monsanto Chemical Co., Monsanto, Ill. (900).
 Reilly Tar & Products Co., New Jersey Meadows, N. J. (100).
 Republic Stamping & Enameling Co., Canton, Ohio (470).
 Cannister Co., Phillipsburg, N. J. (200).
 Fuld & Hatch Knitting Co., Cohoes, N. Y. (240).
 Gager Line Manufacturing Co., Sherwood, Tenn. (185).

⁴ This figure went to 700 a week later.

C. G. Hussey & Co., Pittsburgh, Pa. (800).
 Keasbey-Mattison Co., Ambler, Pa. (1,000).
 Walter Kidde Corporation, Bloomfield, N. J.
 Ansbacher-Siegle, Rosebank, N. Y. (150).
 Pennsylvania Alcohol Co., Philadelphia, Pa. (1,600).
 Hill Independent Manufacturing Co., Philadelphia, Pa. (110).
 American Cyanamide Co. (Calco Division), Bound Brook, N. J. (4,000).
 Isolantite, Inc., Belleville, N. J.
 Welin Davit & Boat Co., Perth Amboy, N. J. (300).
 Chris-Craft Corporation, Algonac, Mich. (420).

INVOLVING CONGRESS OF INDUSTRIAL ORGANIZATIONS UNIONS

Auto workers

Arrow Tool & Reamer Co., Detroit, Mich. (60).
 Auto Specialties Manufacturing Co., St. Joseph, Mich. (1,700).
 Detroit Steel Products Co., Detroit, Mich. (750).
 Marlin Rockwell Co., Plainville, Conn. (1,000).
 Silver Steel Castings Co., Chicago, Ill. (240).
 Hendey Machine Co., Torrington, Conn. (100).
 North American Aviation Corporation, Inglewood, Calif. (11,200).
 Seneca Wire & Manufacturing Co., Fostoria, Ohio (600).
 Bohn Aluminum & Brass Corporation, Detroit, Mich. (5,000).
 Lamson & Sessions Co., Cleveland, Ohio (500).
 Douglas & Lomason Co., Detroit, Mich. (550).
 McQuay-Norris Manufacturing Co., Indianapolis, Ind. (150).
 Oliver Farm Equipment Co., Battle Creek, Mich. (450).
 Briggs Manufacturing Co., Detroit, Mich. (1,000).
 Air Associates, Eendix, N. J. (500).
 American Car & Foundry Co., Chicago, Ill. (650). (1,000).
 Firestone Rubber & Metal Products Co., Wyandotte, Mich. (550).
 Ampco Twist Drill Co., Jackson, Mich. (250).
 Benton Harbor Malleable Co., Benton Harbor, Mich. (1,350).
 Mack International Truck Co., Allentown, Pa. (3,500).
 Borg Warner Corporation, Rockford, Ill. (700).
 Chrysler Corporation (Fargo Division), Detroit, Mich.
 Hendy Machine Co., Torrington, Conn. (300).
 Wolverine Tube Co., Detroit, Mich. (1,000).
 Breeze Corporation, Newark, N. J. (600).
 Cuyahoga Stamping Co., Cleveland, Ohio (50).
 H. A. Douglas Manufacturing Co., Bronson, Mich. (375).
 International Harvester Co., Springfield, Ohio (3,500).
 Marlin Rockwell Corporation, Plainville, Conn. (1,350).
 Air Associates, Inc., Bendix, N. J. (800).
 Breeze Corporation, Elizabeth, N. J. (500).
 Midland Steel Products Co., Cleveland, Ohio (600).
 Ohio Steel Foundries, Springfield, Ohio (590).
 All Steel Welded Truck Corporation, Rockford, Ill. (40).
 Hillsdale Steel Products Co., Hillsdale, Mich. (700).
Clothing workers
 Reliance Manufacturing Co., Michigan City, Ind. (1,200).
 Superior Shirt Co., Philadelphia, Pa. (185).
 Louisiana Pants Co., New Orleans, La. (4).
 Tanen Shirt Co., Lafollette, Tenn. (350).

McLaren Sportswear, Ltd., Phillipsburg, Pa. (100).
New Orleans Clothing Manufacturers (5 plants), New Orleans, La. (50).
Southeastern Shirt Co., Lafollette, Tenn. (350).

Barbour Welting Co., Brockton, Mass. (40).

Die casters

Cleveland Brass Co., Cleveland, Ohio (150).
Aluminum Co. of America, Cleveland, Ohio (5,000).
Parker Street Casting Co., Cleveland, Ohio (100).
Monarch Aluminum Manufacturing Co., Cleveland, Ohio (200).

Electrical and radio workers

Marathon Electric Co., Wausau, Wis. (400).
Picker X-Ray Corporation, Cleveland, Ohio (200).
Ohio Brass Co., Barberton, Ohio.
Karp Metal Box Co., Brooklyn, N. Y. (35).
Wishen Machine Tool Co., New York, N. Y. (29).
G. F. Richter Manufacturing Co., Glendale, N. Y. (150).
Goodrich Electric Co., Chicago, Ill. (150).
Brown Instrument Co., Philadelphia, Pa. (400).
Simons Worden White Co., Dayton, Ohio (235).
Westinghouse Electrical & Manufacturing Co., Pittsburgh, Pa. (800).
Twentieth Century Brass Works, Minneapolis, Minn. (50).
American Radiator Co., Pittsburgh, Pa. (875).
Electric Machinery Manufacturing Co., Minneapolis, Minn. (320).
Zallee Bros. & Johnson, Wilmington, Del. (55).

Fur and leather workers

Griess-Pfleger Tanning Co., Waukegan, Ill. (600).
Cratton & Knight Co., Cudahy, Wis. (220).
Milligan & Higgins Co., Johnstown, N. Y.

Furniture workers

Vincent McCall, Kenosha, Wis. (200).
E. J. Hanserman Co., Cleveland, Ohio (350).
Fort Pitt Bedding Co., Pittsburgh, Pa. (450).

Mine workers

Carborundum Co., Niagara Falls, N. Y. (600).
Antrim Iron Co., Maincelona, Mich. (450).
Metals Disintegrating Co., Elizabeth, N. J. (65).
General Ceramics Co., Keasbey, N. J. (200).
Koppers Co., Follansbee, W. Va.
Dow Chemical Co., Midland, Mich. (4,000).
U. S. Gypsum Co. (14 plants), Chicago, Ill. (3,000).
Hollup Corporation, Chicago, Ill. (80).
Atlas Powder Co., Stamford, Conn.
National Gypsum Co., New York City.
Alabama Coal Mines, Birmingham, Ala. (18,000).
National Lead Co., St. Louis, Mo. (700).
Captive mines (13 companies), Pennsylvania, West Virginia, and Kentucky (43,100).

Longshoremen and warehousemen

One hundred and ninety warehouses, San Francisco, Calif. (4,500).

Maritime union

Morgan Line, Houston, Tex. (100).

Packing-house workers

Chicago meat packing companies, Chicago, Ill. (1,180).
Electric Hose & Rubber Co., Wilmington, Del. (500).
Aetna Rubber Co., Cleveland, Ohio (125).
B. F. Goodrich Co., Akron, Ohio.

Shipbuilding workers

Federal Shipbuilding & Drydock Co., Kearny, N. J. (16,000).
American Shipbuilding Co., Lorain, Ohio (900).

Alabama Drydock & Shipbuilding Co., Mobile, Ala.

American Engineering Co., Kensington, Pa. (700).

Greenport Basin & Construction Co., Greenport, N. Y. (120).

Robin Dry Dock & Repair Co., Brooklyn, N. Y. (7,000).

Steel workers

Apollo Steel Corporation, Apollo, Pa. (950).
Bethlehem Shipbuilding Corporation and five other yards, Oakland, Calif. (700).

Champaine Co., St. Louis, Mo. (130).
Phoenixville Iron Works, Phoenixville, Pa. (1,000).

National Steel Corporation, Ecorse, Mich. (7,000).

New Jersey Galvanizing Co., Newark, N. J. (35).

Youngstown Sheet & Tube Corporation, Indiana Harbor, Ind. (750).

Bass Foundry & Machine Co., Fort Wayne, Ind. (250).

Boston & Lockport Block Co., Boston, Mass.
Heller Bros. Co., Newcomerstown, Ohio (1,170).

Wicker Bros. Boiler Co., Saginaw, Mich. (150).

Great Lakes Engineering Works, River Rouge, Mich. (600).

Great Lakes Steel Corporation, Ecorse, Mich. (8,000).

Carnegie-Illinois Steel Corporation, McDonald, Ohio (65).

Irving Subway Grating Co., Long Island City, N. Y. (300).

Pacific States Cast Iron Pipe Co., Provo, Utah (438).

Timken Roller Bearing Co., Columbus, Ohio.

Roller Smith Co., Bethlehem, Pa. (250).
Symington Gould Corporation, Rochester, N. Y.

American Chain & Cable Co., York, Pa. (200).

Arcade Malleable Iron Works, Worcester, Mass.

Ertel Engine Co., Grand Haven, Mich. (130).
Fitzsimons Co., Youngstown, Ohio (120).

Henry Vogt Machine Co., Louisville, Ky. (900).

Leland Gifford Co., Worcester, Mass. (1,400).
Pressed Steel Car Co., Pittsburgh, Pa. (2,800).

Pullman-Standard Car Manufacturing Co., Bessemer, Ala. (1,100).

Wyckoff Drawn Steel Corporation, Ambridge, Pa. (500).

Bethlehem Steel Corporation, Sparrows Point, Md. (250).

Ryerson Steel Co., Cleveland, Ohio (60).
Mackenzie Muffler Co., Youngstown, Ohio (200).

Crucible Steel Co., Harrison, N. J. (500).
Evans Products Co., Detroit, Mich. (500).

Allegheny Ludlum Steel Co., Watervliet, N. Y. (500).

Atlas Press Co., Kalamazoo, Mich. (500).
Carnegie-Illinois Steel Co. (two strikes):

McDonald Works, Youngstown, Ohio (1,500); Clairton Works, Clairton, Pa. (300).

Wheeling Corrugated Co., Wheeling, W. Va. (1,400).

American Can Co., Chicago, Ill.
Lukenweld, Inc., Coatesville, Pa. (2,000).

Ohio Steel Foundries, Springfield, Ohio (590).

Portland Forge & Foundry, Portland, Ind. (200).

St. Louis Truck & Auto Body Plants, St. Louis, Mo. (400).

Wallingford Steel Co., New Haven, Conn. (60).

Reading Screw Co., Norristown, Pa. (150).
Babcock & Wilcox Co., Beaver Falls, Pa. (75).

Niles Steel Rolling Mills, Niles, Ohio (700).
Carnegie-Illinois Steel Corporation, Gary, Ind. (10,000).

Wickwire Bros., Cortland, N. Y. (1,000).

Textile workers

American Woolen Co., Madison, Maine (400).

Black Hosiery Mills, York, Pa. (100).
Malsel Co., Brooklyn, N. Y. (33).

American Thread Co., Fall River, Mass. (2,500).

Nasco Awning, Inc., Brooklyn, N. Y. (60).
Hulton Dyeing Co., Philadelphia, Pa.

Merion Worsted Mills, West Conshohocken, Pa. (500).

American Woolen Mills, Lawrence, Mass. (2,500).

Arlington Mills, Lawrence, Mass.
Oneida Knitting Co., Utica, N. Y. (1,600).

S. C. Hollister Co., New York, N. Y. (80).
Great Lakes Thread Co., Detroit, Mich. (150).

Switlik Parachute & Equipment Co., Trenton, N. J. (350).

Lincoln Mills, Huntsville, Ala. (1,800).
Chandler Co., New York, N. Y. (110).

Insel Co., Arlington, N. J. (300).

Miscellaneous

Armbruster Manufacturing Co., Springfield, Ill. (86).

Atlantic Metal Products Corporation, Long Island City, N. Y. (180).

Wilson Jones Co., Chicago, Ill., and Elizabeth, N. J. (1,200).

Puro Feather Down Co., Brooklyn, N. Y. (45).

Essex Specialty Co., Inc., Berkley Heights, N. J. (50).

New Haven Clock Co., New Haven, Conn. (1,500).

National Tube Co. (Christie Park plant), Pittsburgh, Pa. (150).

G. & O. Manufacturing Co., New Haven, Conn. (250).

Stamford Rolling Mills, Springdale, Conn. (425).

Mundet Cork Co., Hillside, N. J. (350).
Isolantite, Inc., Belleville, N. J. (450).

(SOURCE.—United States News, June 6, through October 17, 1941.)

STRIKES IN DEFENSE INDUSTRIES IN THE UNITED STATES FROM OCTOBER 17 TO NOVEMBER 7, 1941¹

INVOLVING AMERICAN FEDERATION OF LABOR UNIONS

Building trades

Houston Shipbuilding Corporation, Houston, Tex. (950).

Red River Ammunition Dump, Texarkana, Tex. (1,000).

Curtiss-Wright Airplane Co., Beaver, Pa.

Defense Housing Project, Leesville, La.

Fori Tank Plant, Dearborn, Mich.

Pennsylvania Sale Co., Portland, Oreg.

Naval Training Station, San Diego, Calif. (900).

Electrical workers

Anaconda Wire & Cable Co., Muskegon, Mich. (660).

Midland Wire Co., Tiffin, Ohio (150).

Insuline Corporation of America, Long Island City, N. Y.

Butcher workmen

Lookout Oil & Refining Co., Chattanooga, Tenn. (250).

Glass workers

Owens-Illinois-Pacific Coast Glass Co., Oakland, Calif. (1,000).

Ladies garment workers

Gardiner-Warring Co., Inc., Florence, Ala. (1,000).

Rice Stix Dry Goods Co., Slater, Mo. (250).

Metal trades

Ingalls Shipbuilding Corporation, Pascagoula, Miss. (2,800).

¹ Figures in parentheses in the lists indicate the approximate number of employees involved in each stoppage.

TNT Plant, Weldon Spring, Mo. (45).
 York Corrugating Co., York, Pa. (225).
 Burgess Battery Co., Freeport, Ill. (800).
 Seattle Shipyards, Seattle, Wash. (1,000).
 Buckeye Traction Ditcher Co., Findlay, Ohio (350).

West Coast Shipyards, Seattle, Wash.; Portland, Oreg.; and Los Angeles, Calif. (1,800).
 Aircraft Welders, Burbank & San Diego, Calif. (300).

American Manufacturing Co., Chattanooga, Tenn.

Revolver Co., North Bergen, N. J. (40).

Railway car men

American Car & Foundry Co., Madison, Ill. (950).

Teamsters

Akron Truckers, Akron, Ohio (500).
 National Airport, Bolling Field, Va.
 Union Hardware & Metal Co., Los Angeles, Calif. (250).

Pennsylvania Truckers, Allentown, Bethlehem and Easton, Pa.

Miscellaneous

Chris-Craft Corporation, Algonac, Mich. (420).

Hill Independent Manufacturing Co., Philadelphia, Pa. (110).

Cleveland Container Co., Cleveland, Ohio (450).

INVOLVING CONGRESS OF INDUSTRIAL ORGANIZATIONS UNIONS

Auto workers

Ford Motor Co., Detroit, Mich. (1,000).
 International Harvester Co., Springfield, Ohio (3,500).

Lakeside Steel Improvement Co., Cleveland, Ohio (100).

Oliver Farm Equipment Co., Springfield, Ohio (600).

Spicer Manufacturing Co., Toledo, Ohio (1,000).

Aviation Corporation (Spencer heater division), Williamsport, Pa. (500).

City Machine & Tool Co., Toledo, Ohio (125).

Kelsey Hayes Wheel Co., Plymouth, Mich. (1,700).

Novi Equipment Co., Novi, Mich. (250).
 Chrysler Tank Arsenal, Detroit, Mich.

Construction workers

Northern Indiana Brass Co., Elkhart, Ind. (400).

Die casters

Chandler & Price Co., Cleveland, Ohio (350).

Electrical and radio workers

Isolantite, Inc., Belleville, N. J. (450).
 McKinney Manufacturing Co., Pittsburgh, Pa. (530).

Glass workers

Libbey-Owens-Ford Glass Co., Toledo, Ohio (600).

Mine workers

Alabama Captive Mines, Alabama (20,000).
 Armstrong Cork Co., Gloucester, N. J.
 Sloss-Sheffield Steel & Iron Co., Birmingham, Ala. (800).

Mine, mill, and smelter workers

Mountain City Copper Co., Mountain City, Nev.

Rubber workers

Goodyear Tire & Rubber Co., Akron, Ohio, (300).

Shipbuilding workers

Defoe Boat & Motor Works, Bay City, Mich. (1,200).

Steel workers

H. K. Porter Co., Pittsburgh, Pa. (450).
 Shenango Furnace, Ohio, Neville Island and Sharpsville, Pa. (1,075).

Tube Reducing Co., Wellington, N. J. (150).
 Atlantic Steel Co., Atlanta, Ga. (1,300).
 Bethlehem Steel Corporation, Lebanon, Pa. (3,000).

Carnegie-Illinois Steel Corporation, Clairton, Pa. (800).

Eastern Rolling Mills, Baltimore, Md. (370).
 Medart Co., St. Louis, Mo.
 American Car & Foundry Co., Berwick, Pa. (1,600).

Atlas Press Co., Kalamazoo, Mich. (500).
 Triplex Screw Co., Cleveland, Ohio (600).

Textile workers

American Woolen Co., Inc., Norwich, Conn. (70).

Erwin Cotton Mills, Cooleemee, N. C. (70).
 McMillan Sons Co., New York, N. Y. (70).

Woodworkers

Polson Logging Co., Hoquiam, Wash. (500).

Miscellaneous

Charles Engelhard, Inc., Newark, N. J. (50).
 McKinney Manufacturing Co., Pittsburgh, Pa. (530).

(Source.—United States News, October 24, through November 14, 1941.)

The SPEAKER pro tempore (Mr. BONNER.) Under special order of the House, the gentleman from Massachusetts [Mr. GIFFORD] is recognized for 15 minutes.

THE BUDGET

Mr. GIFFORD. Mr. Speaker, it was my custom for several years, immediately after the reading of the Budget message, to comment thereon and make comparisons with previous Budget messages. I had to forego that last year because the disorder in the House was such that I could not hear it being read. No one seemed to be interested in that Budget message. Today I listened as closely as possible, but I did not note any great interest on the part of the House and again found it difficult to follow it. But I am determined that today I revive memories of former Budget messages and note familiar arguments or alibis and any startling statement. I am performing this duty because of being the ranking minority member of the Committee on Expenditures. I have of late felt that perhaps I have not properly fulfilled my obligations in this respect. As you may recall, I formerly took the floor a great deal constantly objecting to the lack of willingness on the part of the majority Members to investigate expenditures. I have tried to be a good fellow of late and not be so annoying to that rubber-stamp majority.

I know our mouths seem to be absolutely closed against criticism because of the defense effort. As I have said before, everything is made to smell of gunpowder. If you will peruse the Budget message of last year you will find it was very apologetic, entirely different from any other Budget message we have seen for years; only generalizations were indulged in. The estimates of the sums we were to receive from various sources were not detailed. Also the sums which we would spend for the many purposes of Government were not recited, so that it was impossible to get the facts to comment upon. Even more difficult it was today. Another generalization message was read to you. One or two startling facts were presented. The long dissertation on how we shall tax the people fell apparently upon deaf ears here. Many of these recommendations will fall upon deaf ears when they are put before the Ways and Means Committee. This legislative body will reserve to itself the methods of taxation. I am wondering whether our President wanted to send a

message to the people so that they would be ready to criticize this body if we saw fit to differ from his opinions as to methods of raising money. He seems to be still in search of a way to kill the goose that laid the golden egg. The remarkable feature of last year's Budget message, and I think it was probably repeated today, was that it does not seem to matter so much about the principal if we will tax enough to service the debt. Take especial note of that. I have heard of money lenders not caring about the principle as long as they got their interest, and I shall spell that word, when I read my remarks—"p-l-e" not "p-a-l."

I have an abundance of figures here, but in the 15 minutes I am unable to delve into them extensively. Did you hear it read that in 1941 the public debt on June 1 was some \$43,000,000,000, that on June 1, 1943, it will be \$110,000,000,000? And that in 1943 it is expected, if the Ways and Means Committee does its duty, to raise \$18,000,000,000 only? These are generalizations, but perhaps the broad picture of the financial situation is all we care to discuss today.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. GIFFORD. Always.

Mr. GORE. Will the gentleman not give us a broad picture of what he proposes?

Mr. GIFFORD. Of what I propose?

Mr. GORE. Yes.

Mr. GIFFORD. I said my mouth was partly closed because I was confronted with gunpowder legislation. However, I took the floor to propose that we inform and remind ourselves a little. I wish to object to a lecture on his favorite methods of taxing the people. I noted wherein it was stressed that social security was not to be decreased but rather increased. Last year the President declared that parity and soil conservation were established procedure and should not be lessened. Today he very sketchily discussed that subject. Today he will wait until we see what farm prices may or may not be, and then he may make certain recommendations as to the amount that ought to be appropriated. But the suggestion of largesses are there, and they gave reason to the statement made by a commentator recently, "The 'gimme' boys will still be riding on the gravy wagon."

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield at that point?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. Did I understand the gentleman to say that as of June 30, 1943, the debt is projected as being \$110,000,000,000?

Mr. GIFFORD. Yes; unless my hearing was very faulty, and I do not think it was.

Mr. CRAWFORD. Is it not true that that figure is simply based on the calculations of accountants in the Budget Bureau which take into consideration the pick-up as of June 30, 1942, as now evidenced, as now not developed, and adding to that the Budget estimate less the estimated taxable income as set forth? Would not that be the gentleman's interpretation?

Mr. GIFFORD. I should have to agree to that.

Mr. CRAWFORD. Last year we started out on the same basis. I watched it very carefully. I know as well as I know figures about anything along this line that the Treasury was misled, that the public was misled, that Congress was misled, because up until May 1941 the Treasury was still dealing with the Budget figures submitted in January of 1941, although our concept and our actions here on the floor had gone way beyond that.

Mr. GIFFORD. It will be going beyond it now.

Mr. CRAWFORD. Of course it will.

Mr. GIFFORD. What figure would the gentleman suggest that the debt might be?

Mr. CRAWFORD. So the \$110,000,000,000 to me does not mean a tinker's d-a-m-n.

Mr. GIFFORD. Nor to me either.

Mr. CRAWFORD. Not a thing, and I am not going to stand idly by and let it mean very much to the district I represent. I am not going to make my prediction until I see what program is acted upon by Congress, what action we take in this House.

Mr. GIFFORD. The gentleman is acting wisely. The President said further that there is no way of telling what war losses will be incurred and how much it will cost to replace those losses. I think he said, did he not, that the great deficits have been caused by war upheavals? He so stated last year as I recollect it. Was it a war upheaval from 1933 to 1941 when the debt increased from \$16,000,000,000 to \$41,000,000,000, or was it because of the social experiments so many of which were extravagant, wasteful, and had such ill effects on the morale of the people, inasmuch as they were taught to expect and demand support and gifts from the Government?

Mr. KNUTSON. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Was it not probably also due in part to the fact that the galloping hounds of waste were permitted to run without hindrance?

Mr. GIFFORD. Galloping? Is there not a word that connotes a faster pace? Let us call it a fast running race while we are at it.

Mr. KNUTSON. I said galloping hounds.

Mr. GIFFORD. Today he is to extend the social-security benefits much wider. What is the theory back of that? Five billion dollars lie in the Treasury of the people's money which they have contributed for social security. It is invested in Government debt. The sum of \$665,000,000 is lying there, represented by Government debt for the civil-service employees when they retire. There is a vast amount of such trust funds invested in the Government debt.

Mr. HOFFMAN. The gentleman said the money was there. He does not mean that.

Mr. GIFFORD. The bonds are there. I said the money is there but represented by Government debt.

Mr. KNUTSON. When the liability becomes due we will have to be taxed over again to pay it?

Mr. GIFFORD. Unquestionably. I am greatly troubled and astounded at the arguments being made for the purpose of a narcotic for the people. I read on the floor of the Congress some time ago Governor Eccles' recent theory. In effect, "what about the national debt, what of it? We not only bequeath to posterity the national debt, but we bequeath to posterity the bonds also." That seems now to be his theory. Are our people to be fed such things by those highest in authority? "The silly dollar sign." You heard that from the White House. It seems necessary that we legislators talk about finance and budgetary matters. We have granted executive authorities vast sums to try out their experiments. So many received cash benefits that reelections were assured. Profligate spending brought us almost to the brink of the ruin of our credit before this present war began. Defense enthusiasm came to our rescue. Yet social security is still almost uppermost in mind. The theory seemingly has been "bring everybody down to the same level. Take away from those who have, and give it to those who have not." This result can never be fully attained. You who have character and ability will always be on a higher level in spite of political machinations. The only way to succeed in that is to do as Stalin did—"shoot 'em."

The debt will be \$110,000,000,000 next year. I have the yearly deficits here and it might be interesting to read them to you. I think perhaps you are familiar with them. Deficits for more than 10 years in succession are highly disturbing to purchasers of the Nation's evidences of debt. I was approached a few days ago and asked, "Will you tell me what I can do with my money in order that it may be absolutely safe?" Someone asked me on yesterday why there was so much money in circulation. In circulation. Yes. A large amount is in \$1,000 bills hidden in vaults somewhere and regarded safer than a bond. The bond may fall in the market, as it has heretofore done, but the thousand-dollar bill will buy even the bond at its lower value. Thus is money hoarded in thousand-dollar bills, not only by refugees but by many of our own people. My only comment is, "Be patriotic. The country is worth saving by furnishing the money to keep it going." The President himself said, "What of our national debt? Don't we owe it to ourselves?" That must be comforting to you, of course. If those who buy bonds lose, what of it? It is all in the family.

That is the doctrine now being poured forth to soothe our people. It does probably soothe those who have not invested and are now told that they are not to suffer. Again we bequeath bonds as well as the debt. Only the unthinking will be comforted by each lullabye. What are we to do about it? Are we to sit idly by and allow such doctrines to be indoctrinated into our people? Is there not some voice to be heard in remonstrance, and to demand that those in high places shall not attempt to deceive or mislead

us? The people are now ready to hear the truth in our present danger. They are highly courageous and need no paregoric treatment. I suggest that the President let the Congress attend to its own business relating to tax measures, as well as other matters. He is already overwhelmed with work. I beg of him to transfer to others much of this burden. He has many competent men now in Washington who have patriotically offered their services to him.

It is astounding to Congressmen and Senators to inquire of such men relating to their assignments to be constantly told that the President has not yet given the recently coined word "directive," which has for a time a more pleasant sound than the word "order." We will soon learn they mean the same. Mr. President, relieve yourself of these burdens. Have confidence in those you have selected because of fitness for such positions. Unless you trust them, they will not long abide with you. Relieve them of that apologetic attitude they are forced to assume when we seek to question them.

I pray that these bottlenecks may soon disappear by granting full authority to those selected to do their job. Until then, this present confusion will prevail.

[Here the gavel fell.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. KNUTSON] is recognized for 10 minutes.

Mr. KNUTSON. Mr. Speaker, the preceding gentleman brought out some very interesting points regarding the way the national debt is piling up, pointing out some of the dangers. There has never been a war activity on the part of this Government that has cost so much money as the effort we are making in this war and we have only begun to feel the effects. You have already arranged to put 500,000 automobile workers out of work, you are ruining the business of thousands of garages and automobile businesses, you are destroying their lifetime savings. Our leaders say they foresaw this war coming to us as much as 2 years ago. If so, why did not they arrange for huge stocks of rubber, tin, chrome, and other essentials in the interim?

I have a letter from Leland J. Melrose, publicity director of the Minnesota Farm Bureau, which I would like to read to the House. It may throw some light on the needless spending that is taking place in our war efforts. I was here during the first World War. We had cost-plus scandals at that time, but nothing comparable to what we have today. Then we said, "never again," but we are again repeating those costly blunders. I want to read to you the experience we are having out in Minnesota with one of these cost-plus scandals:

MY DEAR CONGRESSMAN: J. S. Jones suggested that I write you about the New Brighton arms plant situation. From his conversation I think perhaps he assumed that I had more information than is actually the case. I have practically no authentic information at all as it seems impossible to obtain it. The officials at the arms plant have adopted the attitude that what happens there is none of the public's business and, of course,

investigators are barred from the area by armed guards.

I had heard so many reports of criminal waste of public funds at New Brighton that I tried to get information so that I could publish articles exposing these reports as false.

He was favorable. He is a good American. He was hoping the reports we are getting out there were false, and he wanted to brand them as false in the Farm Bureau Federation publication.

After considerable delay I received letters from Lieut. John H. Joy and Maj. J. H. Hinricks disclosing the supplying fact that information requested could not be released. These letters were written before our formal entry into the war.

Now we come to some interesting things:

I am enclosing a copy of the letter I wrote to the arms plant, which may be of interest. Since this letter was written I heard of an illiterate Negro, formerly a reliefer, who gets about \$75 a week for some common labor job at New Brighton—of a clerk in a grocery store in my neighborhood who got a job chopping down trees on the ordnance plant grounds at a wage of something better than \$70 a week—of a blacksmith who has been waiting for a long time, at about \$150 a week, for the arrival of blacksmithing equipment so he could go to work.

I do not even wish to hint that these reports are accurate. It seems unbelievable that any public official who has been granted the authority to issue public funds could be so lax in his obligations to the country as to permit things like these to happen. However, stories like these persist and there is no way of stopping these rumors except by a thorough and impartial investigation by Congress.

Now I read the letter that Mr. Melrose wrote to the information service, New Brighton arms plant, New Brighton, Minn., on November 10.

DEAR SIR: Many sensational and perhaps irresponsible reports are going around about the pay being received by workers at the New Brighton arms plant. There is talk of common or semiskilled workers getting \$75 or more a week. I heard of an electrician who was paid \$32 for a day's work on a recent Sunday. No one seems to know just how much money is being earned by some of these people.

I would appreciate it very much if you could inform me of the wages being paid for (a) common laborers; (b) carpenters; (c) electricians; and (d) truck drivers. In mentioning these earnings please let me know what the overtime and Sunday scale is, and whether the work on Saturday is classed as overtime.

I would appreciate it if you could inform me of the maximum pay checks of a day's or a week's work by any class of workers. This to include not only the base pay but also money earned as overtime. How much overtime labor is being performed, and is there any necessity for any overtime work in view of the fact that thousands of men are still on W. P. A. and other forms of relief?

Is it true that labor organizers are preventing jobless men from getting work unless these men pay for their jobs or pledge that money can be taken out of their earnings to pay for their jobs?

Any information you can give me will be appreciated.

Who is responsible for fixing the rate of pay for labor and stenographic help, and any other form of employment that the Government must pay for, either directly or in-

directly, through the price they must pay for ammunition made at the plant?

Very truly yours,

L. J. MELROSE,
Publicity Director,
Minnesota Farm Bureau Federation.

To that letter Mr. Melrose received a reply from the gentleman I have already named, intimating that it would be contrary to public policy to give out that information. Of course, I can understand the hesitancy of those who are responsible for this indefensible situation to give out the facts in the case, because if the American people once learn what is going on under cover they will turn you spend-thrifts out next November just as sure as the rising of tomorrow's sun. The way things are going, I am satisfied that only by turning out those who blindly follow the wasteful spenders will the Republic be saved.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. I should think that the gentleman should reply to these individuals and tell them it is not necessary for them to take that kind of an answer; that they are not compelled to do so. Whoever says that is contrary to public policy does not speak for this Government. He has just evaded the proposition. He should be smoked out and made to give that information.

Mr. KNUTSON. They are both Army officers; one a lieutenant and the other a major.

Of course, if it were not for the fact that all this wasteful spending threatens the future of the Republic, the minority could sit back and smile, because we know we are going to benefit politically from all this laxity, waste, and what not that is taking place next November, just as we did in November 1918.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. I congratulate the gentleman on his confidence that we shall turn them out. I fear lest they take so much gravy home to the people that the people will like it and keep them in.

Mr. KNUTSON. Of course, if they want to vote to continue in slavery to the tax collector, that is their business; but we shall at least show them the way out. Let us have an impartial and thorough investigation by Congress.

[Here the gavel fell.]

The SPEAKER pro tempore (Mr. BONNER). Under a previous order of the House, the gentleman from California [Mr. VOORHIS] is recognized for 10 minutes.

COMMENTS ON THE BUDGET MESSAGE

Mr. VOORHIS of California. Mr. Speaker, the first thing I should like to say is that I do not know whether, in the long run, in view of the world conflict with which we are now confronted, it makes very much difference what happens to any individuals who happen to be presently Members of Congress. I am sure I cannot get very excited about my own political future. I think there are

some other things that are of vastly deeper concern.

America finds herself involved in the greatest war in history. The President's message yesterday and his budget message today make very clear the basic fact that as long as that war lasts our effort with regard to it will be on the basis of a production economy rather than a financial economy. We will do the things we have to do, and the finances will follow the necessity of devotion of this production to the war effort, rather than the size of the war effort being determined by financial considerations. There will be no limit from the standpoint of available finances to the amount of money that will be spent. The only limit there will be will be the limit of the ability of our factories and plants to turn out the maximum possible amount of goods for the purpose of winning the war.

What does this mean? I recall that Dorothy Thompson said this in a very outstanding column she wrote on one occasion, entitled "Thoughts on the Fall of Paris." She said, in effect, "Germany did not have the money, but it produced the war equipment. France and England had the money, but did not produce the war equipment. Germany was working on a production economy, the Allies on a money economy." She drew no conclusions from that fact, but I draw this conclusion, that the upshot of the President's two messages and the upshot of what all of us know ourselves, anyway, is that America is now going on to a war-production economy, and she is going on to it in the fullest possible way. I would agree that people ought not to suggest things to be done in this present time, however much they may believe in them, unless they are intimately connected with the problem of prosecuting and winning the war; but I think it is important—I think, indeed, it is of basic importance—that we should consider the problem of marshaling all the resources of our Nation as one whole problem. I think it important that we be sure there will be no particular privileges perpetuated in this great effort which are not justified by real facts and justice, and so when I feel that something is necessary to the mobilization of all of our resources in a true sense I feel impelled to speak about it.

Assuming that the national income, that is, the wealth production of our country, will reach \$100,000,000,000 in the next year, which seems likely, and assuming we devote one-half of that to war production, then there remains the other half of it for civilian needs.

The danger of inflation arises because of the fact that although you have \$100,000,000,000 paid-out money income going into circulation, you have only \$50,000,000,000 roughly of goods produced to be bought with that. It is to be hoped, of course, that this Congress will act in courageous fashion with regard to taxation from two standpoints: First, from the standpoint of raising such revenue as can reasonably and possibly be raised, and second, from the standpoint of imposing taxes in accordance with the principle of ability to pay.

It is also important and extremely desirable that the sale of defense bonds should continue to go forward or should be even increased over what it is now, because when defense bonds are purchased it means that you or I or somebody else who may have excess purchasing powers turns that purchasing power over to the Government for expenditure on the war effort. It reduces thus the amount of fluid purchasing power in the hands of the consumers and places it at the disposal of the Government's war effort.

But there is another kind of borrowing which contributes to, instead of detracting from, the dangers of inflation, another kind of borrowing which has a great deal to do with the increase of the public debt which has been spoken about here today, another kind of borrowing which is not, in truth, borrowing at all, but a subsidy to private finance, and which in my judgment should not be indulged in by this Government either at the present time or in the future.

I have here the monthly bulletin of the National City Bank of New York for December, in which they mention the fact that in December the Treasury made a billion and a half offering of what they term new money. What this means is that a billion and a half of interest-bearing public bonds were sold to the banks in the month of December alone for figures on the banks' books. There was no transfer of previously existing money or bank deposits that took place. There were credits written on the books of the bank in favor of the United States Government and those credits were placed at the disposal of the Treasury and when that happens they acquired title to interest-bearing bonds of the United States. In the past 8 or 9 years \$22,000,000,000 of public debt has been contracted in this way.

If you are going to draft manpower in this country, if you are going to require that no automobiles be produced and that such production go into the production of airplanes and other necessary items for the war, and if we are going to marshal all of those resources, then, it seems to me, obviously the time has come when this Nation should command and use its own credit whenever new money is to be created, and that we should bring to an end the claim of private finance to ownership of the Nation's credit.

The banking business is properly a business of receiving deposits and making loans and investments. The Government's business is properly the business of creating the money in the first place. We have at present got it just turned around. The Government is doing—and to a certain extent probably necessarily—the business of banking, and the banks are doing the business of government. To the extent that we cannot finance this war effort either by taxes or by legitimate borrowing, where the Government gets the real purchasing power from the purchaser of bonds, to that extent we should observe the Constitution of the United States which says that Congress shall coin money and regulate its value. To place the matter simply, the 12 central Federal Reserve banks, which at present

function as banks of issue in this Nation, ought to be a public institution. There should be no more bond sales to private banks for newly created credits. To the extent necessary for the war effort, the Treasury should issue non-interest-bearing bonds, which would be in the nature of receipts to these central banks, and receive on the books of those banks credit for the use of the United States, to finance this war effort. It would mean that the public debt would rise only perhaps half as fast or as far as otherwise will be the case. You say that this might be inflationary, but I point out to you that all I am suggesting is the substitution of this method for the method whereby private banks create new money to buy our bonds, which is more inflationary than my proposal for the reason that it involves a continuous payment of interest in the future, which my proposal does not. May I say this: That I agree with those who look forward into the future with concern as to financial stability, and I think the President was quite conservative when he forecast a debt of \$110,000,000,000. You have to look forward to the question as to how you are going to handle such public debt as you will have when this war comes to an end, and if you think that public debt will be so large as to put an unbearable strain on the present financial system, the wise thing to do is to make certain modifications in accordance with the basic principles of the American Constitution in order that we may finance this war by means of the credit of the American Nation, based on the ability of the people to produce.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. GORE. In line with the gentleman's thought, I have asked the chairman of the great Committee on Banking and Currency, on which I have the privilege of serving, that we may soon start hearings on the subject of war financing, and in that connection I know the gentleman is such an outstanding student of the problem that I desire to inquire of him as to how much money can be raised by what he terms "legitimate borrowing"?

Mr. VOORHIS of California. First may I say I am glad indeed the gentleman has asked, as I have asked, for such hearings. I think they are an all-important matter. In answer to the gentleman's question I do not think we know. I mean I think it would be rather dangerous to estimate how much can be raised. We know that four times as many defense bonds were sold in December as had been sold in any previous month. That may be indicative of a trend, at any rate.

Mr. GORE. I want to take the gentleman a little further. I agree with him that the borrowing from individuals, the borrowing of real purchasing power from the citizenship of the country, is much better than borrowing from the banks, which in some respects the gentleman has already fully described, but I am wondering whether he would advocate a requirement that certain portions of the income of individuals should be taken

for the purchase of Government bonds for the war effort.

Mr. VOORHIS of California. Is it not a more direct thing to simply fix the tax rate where we think it ought to be in connection with the matter, rather than to compel people to invest in defense bonds?

Mr. GORE. Perhaps so, but again we get back to the problem which the gentleman is discussing. How much money can we raise through what the gentleman terms "legitimate borrowing"?

Mr. VOORHIS of California. I would have to have more power to foresee the future.

Mr. GORE. In the general terms in which the gentleman says he is speaking, does he think that we can raise 25 percent of the amount?

Mr. VOORHIS of California. Twenty-five percent of the cost of the war?

Mr. GORE. Yes; by selling to the citizens and not the banking institutions?

Mr. VOORHIS of California. I know what the gentleman means.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute more.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. I would imagine that as this war goes forward, as the American people begin to understand better than perhaps they do now, it may be conceivably possible to raise that much. But what I am saying, and my main point is that to such extent as the money cannot be raised that way and is not raised by taxes, it should not be raised by the method of permitting private institutions to create the money and borrowing it back at interest, but that it should be the Federal Government which performs that essential function of sovereignty, creates and uses its own credit, and thus avoids unnecessary increase in the public debt. When we come to the time after this war it will be most important that at that time we be able to prevent deflation taking place. But, unless the method of the present financial system is changed before that time, I fear there will take place a most serious deflation which will present us with the most serious economic problem that perhaps our country has ever known.

Money should be a tool of the Nation to bring about the maximum production and exchange of real wealth of which the Nation is capable. It should not be a commodity privately manufactured but a function of the Government of the Nation itself.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein certain resolutions adopted at the third annual convention of the Wisconsin Dairy Industries Association, pertaining to the butter industry in Wisconsin.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DAYLIGHT-SAVING TIME

Mr. DELANEY, from the Committee on Rules, presented the following privileged resolution (H. Res. 410, Rept. No. 1569) on the bill (H. R. 6314) to promote the national security and defense by establishing daylight-saving time, for printing in the RECORD:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6314) to promote the national security and defense by establishing daylight-saving time. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2094 An act to provide for the rank and title of the Commandant of the Marine Corps; to the Committee on Naval Affairs.

S. 1891 An act to amend an act to provide allowances for uniforms and equipment for certain officers of the Officers' Reserve Corps of the Army so as to provide allowances for uniforms and equipment for certain officers of the Army of the United States; to the Committee on Military Affairs.

BILL PRESENTED TO THE PRESIDENT

Mr. KIRWAN, from the Committee on Enrolled Bills, reported that that committee did on Tuesday, January 6, 1942, present to the President, for his approval, a bill of the House of the following title:

H. R. 4365. An act to give additional powers to the Board of Public Welfare of the District of Columbia, and for other purposes.

ADJOURNMENT

Mr. DELANEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 32 minutes p. m.) the House adjourned until tomorrow, Thursday, January 8, 1942, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1240. A letter from the Acting Administrator, Federal Works Agency, transmitting lists of employees of the Work Projects Administration, Federal Works Agency, in the central and field offices, receiving a per annum salary of \$1,200 or more on December 1, 1941; to the Committee on Expenditures in the Executive Departments.

1241. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill to amend an act to regulate the practice of the healing art to protect the public health in the District of Columbia, approved February 27, 1929; to the Committee on the District of Columbia.

1242. A letter from the Secretary of War, transmitting a report of contracts awarded under the act of March 5, 1940; to the Committee on Military Affairs.

1243. A letter from the Assistant Secretary of Agriculture, transmitting a draft of a proposed bill to amend the act known as the Perishable Agricultural Commodities Act, 1930 (46 Stat. 531), approved June 10, 1930, as amended; to the Committee on Agriculture.

1244. A letter from the Secretary of War, transmitting a draft of a proposed bill to provide for the continuation of Government life insurance of aviation cadets subsequent to their being commissioned and for the continuation of such insurance of enlisted pilots, and for other purposes; to the Committee on Military Affairs.

1245. A letter from the president, Gorgas Memorial Institute of Tropical and Preventive Medicine, Inc., transmitting the fourteenth annual report of the Gorgas Memorial Laboratory covering the fiscal year 1941 (H. Doc. No. 534); to the Committee on Foreign Affairs and ordered to be printed.

1246. A letter from the Acting Chairman, Interstate Commerce Commission, transmitting the Fifty-fifth Annual Report of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

1247. A letter from the Archivist of the United States, transmitting a list of papers for disposition by the United States marshal for the middle district of Tennessee, with the approval of the Department of Justice; to the Committee on the Disposition of Executive Papers.

1248. A letter from the Archivist of the United States, transmitting a list of papers for his disposition by the United States District Court for the Western District of New York, with the approval of the administrative office of the United States courts; to the Committee on the Disposition of Executive Papers.

1249. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended for disposition by the Public Roads Administration, Federal Works Agency; to the Committee on the Disposition of Executive Papers.

1250. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended for disposition by the Social Security Board, Federal Security Agency; to the Committee on the Disposition of Executive Papers.

1251. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended for disposition by the War Department; to the Committee on the Disposition of Executive Papers.

1252. A letter from the Archivist of the United States, transmitting a report on lists of papers recommended to him for disposition by the Department of the Treasury; to the Committee on the Disposition of Executive Papers.

1253. A letter from the Archivist of the United States, transmitting a report on one item, recommended for disposition November 3, 1941, by the Accounts Division, Government Printing Office; to the Committee on the Disposition of Executive Papers.

1254. A letter from the Secretary of the Treasury, transmitting the annual report of the Secretary of the Treasury on the state of the finances for the fiscal year ended June 30, 1941 (H. Doc. No. 505); to the Committee on Ways and Means and ordered to be printed.

1255. A letter from the Acting Chairman, Interstate Commerce Commission, transmitting, in compliance with the provisions of section 19a of the Interstate Commerce Act, copies of the final valuations of properties of these carriers subject to the act; to the Committee on Interstate and Foreign Commerce.

1256. A letter from the Archivist of the United States, transmitting a report on lists

of papers recommended for disposition by the Department of Commerce; to the Committee on the Disposition of Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 6303. A bill to create the Limited Service Marine Corps Reserve, and for other purposes; without amendment (Rept. No. 1565). Referred to the Committee of the Whole House on the state of the Union.

Mr. GATHINGS: Committee on Military Affairs. H. R. 5430. A bill to provide pay for officers in accordance with the rank and grade in which they were inducted and served in the land forces; with amendment (Rept. No. 1566). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 6304. A bill authorizing appropriations for the United States Navy, additional shipbuilding and ship-repair facilities, and for other purposes; without amendment (Rept. No. 1567). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on the Judiciary. H. R. 5481. A bill to transfer Blair County, Pa., from the western judicial district of Pennsylvania to the middle judicial district of Pennsylvania; with amendment (Rept. No. 1568). Referred to the House Calendar.

Mr. BLOOM: Committee on Foreign Affairs. House Joint Resolution 264. Joint resolution to maintain the secrecy of military information; without amendment (Rept. No. 1569). Referred to the Committee of the Whole House on the state of the Union.

Mr. DELANEY: Committee on Rules. House Resolution 410. Resolution for the consideration of H. R. 6314, a bill to promote the national security and defense by establishing daylight saving time; without amendment (Rept. No. 1570). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 6314. A bill to promote the national security and defense by establishing daylight-saving time; without amendment (Rept. No. 1571). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MARTIN J. KENNEDY:

H. R. 6316. A bill to provide compensation for injuries or death sustained by volunteer civilian defense workers in the line of duty; to the Committee on the Judiciary.

By Mr. MAAS:

H. R. 6317. A bill providing a franking privilege to soldiers, sailors, and Marines during existence of the unlimited national emergency; to the Committee on the Post Office and Post Roads.

By Mr. KEOGH:

H. R. 6318. A bill to provide for reemployment of persons enlisting in the armed forces; to the Committee on Military Affairs.

By Mr. DOWNS:

H. R. 6319. A bill to provide for lump-sum payments for accumulated or current accrued annual leave, or both, due to Government employees at death; to the Committee on the Civil Service.

By Mr. COFFEE of Washington:

H. R. 6320. A bill to amend the National Service Life Insurance Act of 1940 so as to

grant insurance benefits to dependents of certain civilian employees at military, air, and naval outposts; to the Committee on Ways and Means.

By Mr. SUMNERS of Texas:

H. R. 6321. A bill to provide for a general term of the district court for the district of Alaska at Anchorage, Alaska; to the Committee on the Judiciary.

By Mr. SWEENEY:

H. R. 6322. A bill to provide for the monthly distribution to warrant officers, noncommissioned officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard of 15 penalty-type envelopes to be used for the free transmission in the mail of their personal correspondence during the duration of the war; to the Committee on the Post Office and Post Roads.

By Mr. BLAND:

H. R. 6323. A bill to amend the Merchant Marine Act, 1936, with respect to contracts with the United States Maritime Commission, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. DITTER:

H. R. 6324. A bill requiring that physical examinations be given to all members of the armed forces at the time of their discharge; to the Committee on Military Affairs.

By Mr. GEARHART:

H. R. 6325. A bill to amend certain provisions of the Internal Revenue Code relating to the production of alcohol; to the Committee on Ways and Means.

By Mr. ROGERS of Oklahoma:

H. J. Res. 265. Joint resolution to provide that the Office of Indian Affairs shall be moved to the State of Oklahoma, in the event it is moved from Washington; to the Committee on Indian Affairs.

By Mr. LELAND M. FORD:

H. Res. 401. Resolution providing for an investigation in connection with the proceedings for the deportation of Harry Bridges; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLOOM:

H. R. 6326. A bill for the relief of Merrill M. Marks; to the Committee on Military Affairs.

By Mr. CULLEN:

H. R. 6327. A bill to grant an honorable discharge from the military service of the United States to William Rosenberg; to the Committee on Military Affairs.

By Mr. McGEHEE:

H. R. 6328. A bill for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

H. R. 6329. A bill for the relief of Bibiano L. Meer; to the Committee on Claims.

By Mr. PAGÁN:

H. R. 6330. A bill for the relief of Luis Ortiz; to the Committee on World War Veterans' Legislation.

By Mr. REECE of Tennessee:

H. R. 6331. A bill for the relief of Theodore A. Mooring; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2249. By Mr. JARRETT: Petition of sundry citizens of Warren County, Pa., urging passage of House bill 4000; to the Committee on Military Affairs.

2250. By Mr. KEOGH: Petition of the Chamber of Commerce of the Borough of

Queens, city of New York, concerning Senate bill 2124, providing for a mandatory investment plan; to the Committee on Banking and Currency.

2251. By Mr. KRAMER: Petition of the California State Board of Agriculture, Sacramento, Calif., recommending passage by Congress of Senate Joint Resolution 16 and House Joint Resolution 76, introduced by Senator WAGNER and Representative VOORHIS, to establish a Post-Emergency Economic Advisory Commission; to the Committee on Labor.

2252. By Miss RANKIN of Montana: Petition of the Fourth District of the Department of Montana, Veterans of Foreign Wars of the United States, in convention assembled at Bozeman, Mont., December 14, 1941, signed by the resolutions committee, V. E. Nordberg, chairman, Robert H. Montgomery, Charles E. Jones, and Andrew Horvath, memorializing the Congress of the United States of America to enact legislation which will give our Nation's disabled and their dependents at least an equal consideration with the Work Projects Administration employees in the matter of adequate compensation in relation to the present-day costs of living; to the Committee on World War Veterans' Legislation.

2253. By Mr. ROLPH: Assembly Joint Resolution No. 3 of the State of California, relative to the full utilization of the Nation's skills and resources in the national-defense program and the building of national unity, irrespective of race or color; to the Committee on Military Affairs.

2254. By Mr. SMITH of Wisconsin: Resolutions of Wisconsin Swiss and Limburger Cheese Producers' Association, Inc., of Monroe, Wis., endorsing the program of the united dairy committee, and urging Congress to pass legislation which prohibits the interstate shipment and sale of oleomargarine which contains any dairy product, which is yellow in color, taste, and appearance, and urging the strengthening of the statutory authority of the Federal Trade Commission to proceed against the manufacturers of oleomargarine or their representatives in respect to unfair and deceptive statements or pictures in their advertising of these products, with particular emphasis on the use of yellow color in advertisements and use of descriptive dairy terms; to the Committee on Agriculture.

2255. Also, resolutions of the Wisconsin Swiss and Limburger Cheese Producers' Association, Inc., of Monroe, Wis., insisting that no price ceilings be placed on agricultural products unless comparable ceilings be placed on the prices of materials and the wages of labor involved in the production of equipment used by farmers; to the Committee on Agriculture.

2256. Also, resolutions of the Wisconsin Swiss and Limburger Cheese Producers' Association, Inc., of Monroe, Wis., asking that every effort possible to get Swiss, Limburger, and brick cheeses included in the diet of American soldiers; to the Committee on Agriculture.

2257. By Mr. STEARNS of New Hampshire: Petition of certain residents of Swanzy, N. H., requesting that the Government take all possible steps to eliminate nondefense, nonessential expenditures; to the Committee on Military Affairs.

2258. By Mr. SUTPHIN: Petition of the New Jersey Society, Sons of the American Revolution, reaffirming the loyalty of its membership to the United States and resolving to render every possible service to aid the prosecution of the present conflict; to the Committee on Military Affairs.

2259. By the SPEAKER: Petition of the United States Academy of Culture, Chicago, Ill., petitioning consideration of their resolution with reference to the Constitution of the United States; to the Committee on the Judiciary.

2260. Also, petition of the Filipino Federation of America (sixteenth annual national convention), Los Angeles, Calif., petitioning consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

2261. Also, petition of the Committee to Eliminate Discriminations Against Women of New Jersey, East Orange, N. J., petitioning consideration of their resolution with reference to the drafting of the women of America for service, and further recommending that the draft law be amended to include women; to the Committee on Military Affairs.

SENATE

THURSDAY, JANUARY 8, 1942

(Legislative day of Tuesday, January 6, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, the Very Reverend Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, the Author and Giver of all good, whose unseen power and presence encompass our path: Guide us, we beseech Thee, out of the darkness of uncertainty into the light of such mature and careful thought as may be needful for the deliberations of this day.

Enable us by Thy Spirit to rise and go wherever our sense of right and duty leads, no matter how hard the way, however difficult the undertaking. And, as we are brought face to face with reality all about us, make us so strong within that we may rule right royally our own spirits, acting bravely against whatever temptation may beset us. We would be meek, rather than cruel; forbearing rather than exacting, and willing, if need be, to sacrifice our all on the altar of service to our country and our God.

Finally, we ask that Thou wilt give us that gladness of heart which is created and sustained by the clear shining within of faith and love, that we may have the spirit of the Blessed Master who, in spite of His overburdened and troubled life, was the happiest of men, and whose joy overflowed upon all those with whom He came into close and intimate touch when He lived and walked among men in the days of His flesh. In His own dear name we ask it. Amen.

ATTENDANCE OF A SENATOR

HENRY CABOT LODGE, Jr., a Senator from the State of Massachusetts, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, January 7, 1942, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names: